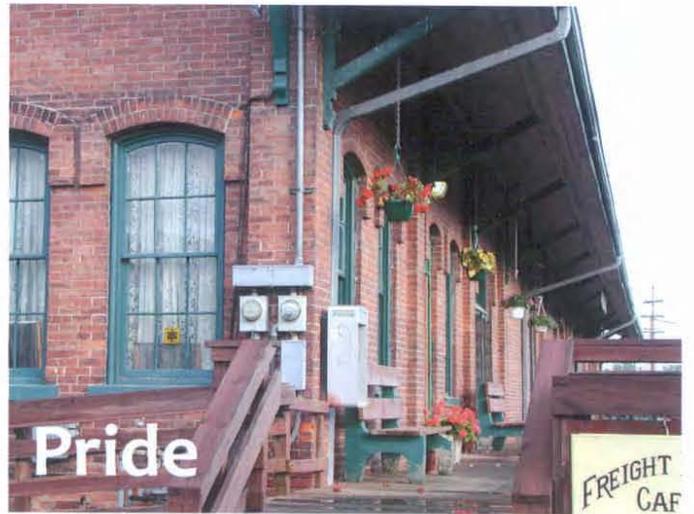


YPSILANTI

MICHIGAN



**Community Impact
Comprehensive Annual Financial Report
Year Ended June 30, 2009**

CITY OF YPSILANTI, MICHIGAN

Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2009

Prepared by:

**Marilou Uy, Director of Fiscal Services
Sallea Tisch, Accounting Supervisor**

**City of Ypsilanti, Michigan
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2009**

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INTRODUCTORY SECTION



December 8, 2009

To the Honorable Mayor, Members of the City Council
and Citizens of the City of Ypsilanti

It is my pleasure to submit to you and the citizens of Ypsilanti, the Comprehensive Annual Financial Report (CAFR) of the City of Ypsilanti for the fiscal year ending June 30, 2009. Responsibility for both accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The administration believes, and has made its best efforts to ensure, that the data, as presented, is accurate in all aspects and that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City. It was prepared by staff in the Finance Division with assistance from personnel in the Treasurer's Division, Public Services and other City departments.

State law requires that all local governments, subject to certain size criteria, publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report is published to fulfill that requirement for the fiscal year ended June 30, 2009.

Management assumes full responsibility for the completeness and reliability of all of the information contained in this report, based on a comprehensive framework of internal control that is established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement.

This report has been formulated following the guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada. Meeting the high standards as set forth in the guidelines of the GFOA can only assist us in improving the financial reporting of the City of Ypsilanti.

Wherever possible, the City has made use of grants to help meet the needs of the community. Examples of such grants benefitting the City include road improvements, fire truck and police equipment, sidewalks, recreational non-motorized transportation paths, equipment replacement and repair for parks, tree planting, planning studies, and supporting arts and cultural programs. The City has also worked with other outside organizations to help provide the infrastructure necessary to meet the City's current and future needs.

Rehmann Robson, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Ypsilanti's financial statements for the year ended June 30, 2009. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The **City of Ypsilanti**, incorporated in 1858, is located in the southeast region of Michigan's Lower Peninsula in Washtenaw County, approximately 30 miles west of Detroit, with a population of approximately 21,000. The City is bounded to the north by the Charter Township of Superior and on the west, south and east by the Charter Township of Ypsilanti.

The City is a stable community with many assets – quality residential neighborhoods, good schools, beautiful view of the Huron River, historic downtown and residential neighborhoods, and convenient access to I-94 and Detroit Metropolitan Airport. Periodic events and festivals, such as the Ypsilanti Heritage Festival, Elvisfest, Michigan Brewers Guild Summer Beer Festival and the Orphan Car Show, all contribute to the City of Ypsilanti's "small town" sense of community.

The City operates under the council-manager form of government. The City Council is comprised of the mayor and six members. The members are elected on a staggered basis for four year terms. The Mayor is elected every four years. The City Manager and City Clerk are appointed by and serve at the pleasure of the council.

The City of Ypsilanti provides a full range of services to the community: police, fire, street maintenance, recycling, yard waste removal, elections, public safety, emergency preparedness and response, planning, support services and other customer specific services. The City is responsible for the management and financing of these operations. Other services are provided through component units, i.e. Depot Town DDA, Ypsilanti DDA and Economic Development Corporation.

The City Council is required to adopt a final operating budget prior to the beginning of each fiscal year. This annual budget serves as the foundation for the City of Ypsilanti's financial planning and control. The budget is approved and budgetary control is exercised at the department level. Expenditures may not exceed budgeted appropriations at the department level. The City Manager has the authority to approve budget transfers between programs within the same fund, but council may authorize transfers between funds. Department Heads may transfer funds between accounts within a specific program under their direction with the exception of personnel and capital expenditures, which must be approved by the City Manager.

Local Economy

The City maintains 85 acres of parkland, including a park system running along the Huron River, and parks and tot lots throughout neighborhoods. While the City does not directly provide recreation programming, it has partnered with many dedicated community groups. These partnerships include Friends groups that fundraise for and operate the pool, the senior center and Parkridge Community Center. The Ypsilanti Area Jaycees are coordinating special events and facility rentals and they receive the rental fees in excess of costs for services provided by the City. In addition, there are neighborhood, church, school, and other organizations that do numerous community gardens, park improvement projects and recreation programming. The City has also worked with the County Public Health Department to make capital improvements to park facilities, and with the County Parks and Recreation Commission to construct part of a regional biking and walking trail network.

The Riverside Foundation operates the City's Riverside Arts Center, which provides theater, gallery, and classroom space. The Center is only a small part of Ypsilanti's cultural picture, however – a wide variety of museums, galleries, and studios work in media ranging from pottery to puppetry to tattoos, and downtown's music venues have been recognized as a focal point of southeast Michigan's independent music scene. A similar diversity of events are held annually, with regional (or greater) draws; the long-running Ypsilanti Heritage Festival, ElvisFest, and the Michigan Brewers Guild Summer Festival each bring tens of thousands to Riverside Park, while summer and winter Shadow Art Fairs and MittenFest provide exposure to local artists and musicians.

Local unemployment at 10.6 percent has been consistently at or below the state average (currently 15.2 percent) and above the national average of 9.5 percent. As the State of Michigan's economic crisis adjusts to the challenges of a rapidly globalizing world, community and business leaders have come together like never before to respond. Economic development officials have implemented an aggressive strategy for business growth and expansion within the region offering numerous resources to businesses with financing opportunities. An example of this is the cooperation between members of the Eastern Leaders Group. These local units of government have collaborated to locate a business incubator in the Central Business District for downtown.

The City of Ypsilanti has a population of 20,437 in 2009 according to SEMCOG estimates. The census of 2000 showed a population of 23,362.

The City of Ypsilanti's SEV (state equalized value) has increased 59% over the last ten years. The City's total equalized value of taxable property for 2008 was \$486 million, a decrease over the prior year of \$41 million, or roughly 8%.

The City remains in good financial condition, as is demonstrated by the financial statements and schedules included in this report.

Long Term Financial Planning

The City Council and City Manager believe long-term financial planning is essential to ensuring the City's fiscal health. Starting in 2001, the City faced declining revenues and began its cost reduction strategy by deferring capital projects and equipment purchases. This effort continued during 2002 when the Recreation Department was eliminated and other positions and departments were combined. Further staff reductions were implemented during 2008. During fiscal year 2003, the City had a high point of 139.75 full time equivalents (FTE's) and this number has declined to 106.75 FTE's in fiscal 2009. The number was reduced further to 104.15 FTE's for fiscal 2010. The proposed reductions for fiscal year 2010 resulted in curtailing services and eliminating employees in several departments including police, fire, public services and other departments.

The City's working relationship with our governmental neighbors and Eastern Michigan University, our largest employer continued in earnest. The newly formed Eastern Leaders Group has continued to meet and formulated new goals related to business development, improving housing stock and physical improvements to the corridor. Investment continues in the downtown with the renovation of second floor apartments and façades as well as the opening of several first floor businesses. However, the City's tax base is eroding as the taxable value of properties in the City and the State of Michigan decline. Automotive Component Holdings (ACH), formerly the City's largest taxpayer ceased operation in December 2008 and the City has collaborated so far unsuccessfully with ACH, to find a buyer for the property.

Our 38-acre redevelopment project, Water Street, bounded by Michigan Avenue on the north and the Huron River on the south continues to face formidable challenges due to the economy. The City has successfully received three Environmental Protection Agency clean-up grants for a total of \$600,000 that will be used for remediation of contaminated soil, and demolition of several structures within the project site. An additional \$250,000 in Neighborhood Stabilization Program funds will also be used to demolish structures on the site. The City has successfully set aside \$3.5 million in fund balance to pay the annual debt payments resulting from the sale of bonds to finance acquisition and demolition on this site. Originally, debt retirement to be paid for by capturing tax increment financing from new development, but the City will now use fund balance. The unrestricted General Fund balance for fiscal year 2009, which is \$9,259,778, is 21.4% of amended expenditures.

In addition to the significant impact of declining taxable values on revenues, the City continues to face escalating financial challenges with increasing costs of employee benefits, particularly for medical and prescription drugs. The City also faces mounting pension and other post employment benefits costs for current and retired employees. The revenue decline, coupled with the rising expenses, pose a significant threat to the City's fiscal structure and a long term threat to the stability of the City's finances. Cost containment strategies and reductions have been employed to mitigate and reduce future stress on City finances.

Major Initiatives for the Year

The decline of taxable values across the City and the success of the "Water Street Project" are both concerns for the City. Our largest taxpayer ceased operations at the end of 2008 and the City has implemented strategies to operate with less revenues. The voters' rejection of an income tax proposal during 2008 has also resulted in a multiyear plan to reduce expenses to match limited revenues.

Efforts to market and sell parcels in the Water Street project continue, but are hampered by Michigan's poor economy and high unemployment rate, and the general lack of available development financing. Fortunately, sufficient funding has been placed in the fund balance to make annual bond indebtedness payments for the next several years.

Beyond the Water Street project, staff is working to identify and position other key properties for investment. Whether City-owned, foreclosed, or for sale, seeking out and supporting investment in these properties is essential to stabilizing the City's tax base.

The City continued its focus on replacing aging infrastructure by reconstructing North Mansfield and South Mansfield streets. New water main was also installed under North Mansfield. The cost of this construction was \$456,492.80 for North Mansfield and \$550,496.52 for South Mansfield.

Aerotropolis, the City's joint economic development effort with Wayne and Washtenaw counties, as well as, the cities of Belleville, Taylor and Romulus and the townships of Van Buren and Ypsilanti continues towards fruition. This concept is to provide economic development opportunities in the respective communities by creating a cooperative development strategy for industries related to time sensitive manufacturing, e-commerce fulfillment, telecommunications and logistics, as well as offices for business people who travel frequently by air and by businesses wanting to locate near Detroit Metro and Willow Run Airports. The interlocal agreements between the participating governments have been approved by those governments and the State of Michigan; additional legislation related to the development strategies is awaiting approval in the Michigan legislature.

The City is also working with various partners to improve transportation options in the City. The Planning Department is completing a Non-Motorized Transportation Plan, partially funded by the Washtenaw County Public Health Department, to address bicycling, walking and other non-motorized transportation options. Key among these options is the ongoing partnership with Washtenaw County and surrounding communities to complete the Border 2 Border Trail running through Ypsilanti. Staff is also working with SEMCOG and AATA to plan for the start of commuter rail service on the Ann Arbor to Detroit corridor, including circulation needs to and from the stop within Depot Town.

In the wake of increased foreclosures, City staff has been monitoring foreclosures as well as dangerous and vacant buildings in the City. In addition, staff has been working with the Washtenaw County Treasurer's office to provide feedback related to the development of the Washtenaw County Land Bank which will exist in both neighborhood stabilization and commercial redevelopment efforts.

Major Initiatives for the Future

The City is working on a contractual arrangement with Washtenaw County to provide police dispatch and with Huron Valley Ambulance to dispatch fire and medical calls. This initiative will save the City money and will eliminate the use of police officers to backfill for dispatchers.

The cities of Ypsilanti and Ann Arbor have had an informal agreement to operate as a functional fire district. This concept manages resources as one fire service increasing the effectiveness and efficiency of each fire department without additional costs. The townships of Ypsilanti, Pittsfield, Ann Arbor and Superior have also expressed an interest in participating and negotiations continue to implementation.

Annually, the City prepares a street capital improvement program for major streets, which are eligible for federal funding acquired through the Washtenaw Area Transportation Study. Future projects include streetscape improvements on East Cross Street in Depot Town and on West Cross Street in College Town. Reconstruction of East and West Cross Streets beyond the streetscape project are also planned for the future, as well as the reconstruction of the Prospect Street Bridge.

The City has received a 21st Century Communities Grant from the Michigan Municipal League to continue the City's effort to promote entrepreneurs. Currently, the City is host to both Spark East, a business incubator, and SPUR, an arts incubator. We anticipate the grant will elevate the City's efforts in this area.

Acknowledgements

The preparation of this report on a timely basis was made possible by the dedicated services of Fiscal Services accounting staff and other City departments, as well as advice from Rehmann Robson. I wish to express my appreciation and acknowledge those who assisted and contributed to the preparation of this report: Marilou Uy, Sallee Tisch, Nan Schuette, Richard Murphy and Teresa Gillotti.

My hope is that you will find this document to be a useful tool in evaluating the City's financial health. Helping you and the public obtain a thorough understanding of the City's financial condition is important to us all. Should you have any questions, comments, concerns, or suggestions regarding this document or the information it contains, Marilou Uy and I are available to respond.

Respectfully submitted,

{signature omitted for security}

Edward B. Koryzno, Jr.
City Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Ypsilanti
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

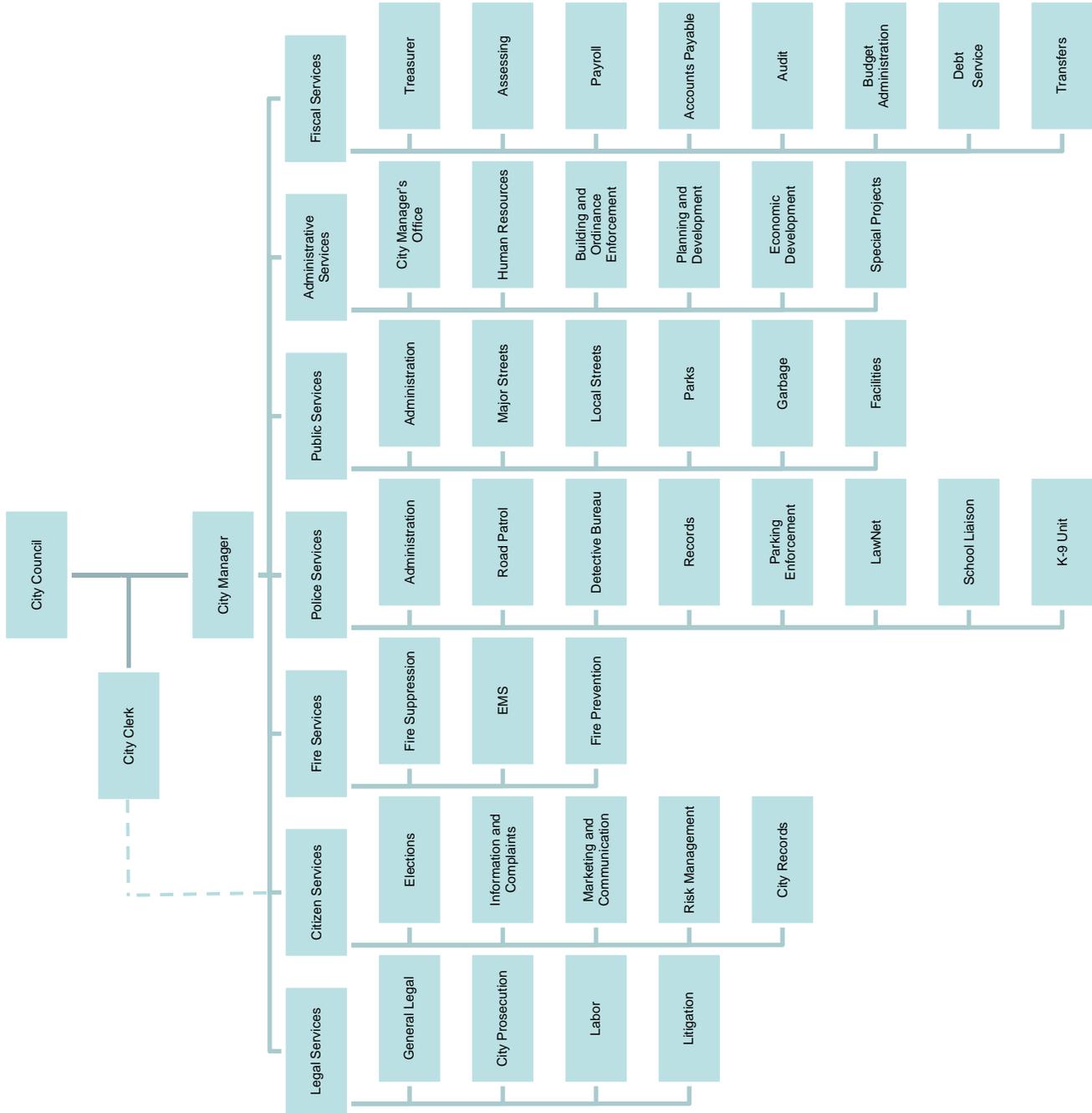


A handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director



CITY OF YPSILANTI, MICHIGAN
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2009
List of Principal City Officials

Elected Officials

City Council:

Paul T. Schreiber, Mayor
S.A. Trudy Swanson, Mayor Pro-Tem

Michael V. Bodary
Peter J. Murdock
William Nickles
Lois E. Richardson
Brian Robb

Administration -- Appointed Officials and Senior Management

City Manager Edward Koryzno, Jr.

City Clerk..... Frances McMullan

Directors and Division Heads:

Director of Fiscal Services Marilou T. Uy
Director of Administrative Services..... April McGrath
Director of Public Services..... Stan Kirton
Interim Chief of Police Paul Deridder
Fire Chief..... Jon Ichesco
Accounting Supervisor Sallee Tisch
City Assessor..... Sharon Doom
City Treasurer..... Kimberly D. Teamer

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

December 8, 2009

Honorable Mayor and
Members of the City Council
City of Ypsilanti, Michigan

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *City of Ypsilanti, Michigan*, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Ypsilanti's management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ypsilanti, Michigan, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2009 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3-11 and the pension and other postemployment benefits supplementary information on pages 55-57 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ypsilanti's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

As discussed in Note 4.G. to the financial statements, the beginning fund balance of the general fund was increased by \$47,246 to properly account for prior year cable franchise fees that should have been accrued, but were not. The beginning net assets of the governmental activities were increased by a total of \$254,968 which included the above general fund restatement along with increases of \$48,490 and \$159,232 to correct for amounts inappropriately expensed in separate transactions.

A handwritten signature in cursive script that reads "Lehmann Johnson".

MANAGEMENT'S DISCUSSION and ANALYSIS

As management of the *City of Ypsilanti, Michigan*, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vi of this report.

Financial Highlights

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended June 30, 2009.

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$19,119,325 (*net assets*). This amount is net of a deficit of \$6,613,852 in unrestricted net assets. The City has no business-type activities and therefore reports only governmental activities in its government-wide financial statements.
- The government's total net assets increased by \$2,182,012.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$21,036,696 an increase of \$1,657,907 in comparison with the prior year. Approximately 68 percent of this total amount, or \$14,207,255, is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$2,947,235 or 21.97% of total general fund expenditures and other financing uses.
- The City's total bonded debt decreased by a net amount of \$1,971,042 during the current fiscal year; \$503,958 of revenue bonds were issued during the year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City'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 City's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the City include general government, public safety, public works, highways and streets, culture and recreation and community development.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also legally separate entities for which the City is financially accountable. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself.

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 City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City 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 City maintains 32 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, land revolving capital projects fund, 2003-B capital improvements bonds capital projects fund and 2004-B general obligation bonds capital projects fund, which are considered to be major funds. Data from the other 28 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

The basic governmental fund financial statements can be found on pages 15-21 of this report.

Proprietary funds. The City has one type of proprietary fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its motor pool, workers' compensation self-insurance, and retiree benefits. Because these services benefit governmental functions, they have been included within *governmental activities* in the government-wide financial statements.

All of the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 22-24 of this report.

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 statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 25-26 of this report.

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. The notes to the financial statements can be found on pages 29-54 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This is limited to schedules concerning the City's progress in funding its obligation to provide pension benefits to its police and fire employees, MERS system employees and other postemployment benefits. Required supplementary information can be found on page 55-57 of this report.

The combining statements referred to earlier in connection with nonmajor, internal service and fiduciary funds are presented immediately following the required supplementary information. Combining and individual fund financial statements and schedules can be found on pages 58-83 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Ypsilanti, assets exceeded liabilities by \$19,119,325 at the close of the most recent fiscal year as shown in the following table (which shows, in a condensed format, the net assets as of fiscal year end 2009 and compared to the prior fiscal year):

City of Ypsilanti's Net Assets

| | Governmental activities | |
|-----------------------------------|--------------------------------|-----------------------------|
| | 2009 | 2008 |
| Current and other assets | \$ 61,548,900 | \$ 60,246,734 |
| Capital assets | 26,674,609 | 27,998,237 |
| Total assets | <u>88,223,509</u> | <u>88,244,971</u> |
| Long-term liabilities outstanding | 65,815,103 | 67,874,948 |
| Other liabilities | 3,289,081 | 3,432,710 |
| Total liabilities | <u>69,104,184</u> | <u>71,307,658</u> |
| Net assets: | | |
| Invested in capital assets, net | | |
| of related debt | 15,117,105 | 15,179,422 |
| Restricted | 10,616,072 | 10,909,451 |
| Unrestricted (deficit) | <u>(6,613,852)</u> | <u>(9,151,560)</u> |
| Total net assets | <u>\$ 19,119,325</u> | <u>\$ 16,937,313</u> |

By far the largest portion of the City's net assets (79.1% or \$15,117,105) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment, systems and infrastructure), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City'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.

An additional portion of the City's net assets (54.4% or \$10,406,691) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (a deficit of \$6,613,852) represents the extent to which accrual basis non-capital liabilities exceed assets after taking into account restrictions.

The City's total net assets increased approximately 14.6 percent from the prior year. This increase resulted from a number of factors. The City acquired a Bobcat which has more utility than the equipment which it replaced. In addition, a trash truck for recycling, a brush chipper, a wide area mower and a Jeep which along with other capital purchases, increased capital assets before the effect of depreciation. Bond payments made during the year reduced the outstanding debt principal. The decrease in other liabilities is primarily due to settlement of cases with the Michigan Tax Tribunal.

City of Ypsilanti's Changes in Net Assets

| | Governmental activities | |
|---|--------------------------------|-----------------------------|
| | 2009 | 2008 |
| Revenue: | | |
| Program revenue: | | |
| Charges for services | \$ 2,395,020 | \$ 1,819,057 |
| Operating grants and contributions | 3,734,396 | 3,504,349 |
| Capital grants and contributions | 94,250 | 672,269 |
| General revenue: | | |
| Property taxes | 12,098,938 | 11,503,422 |
| Grants and contributions not restricted to specific programs | 3,000,840 | 3,070,879 |
| Other | 817,091 | 1,223,621 |
| Total revenue | <u>22,140,535</u> | <u>21,793,597</u> |
| Expenses: | | |
| General government | 2,788,130 | 1,957,277 |
| Public safety | 8,563,993 | 9,618,481 |
| Public works | 1,935,048 | 2,084,186 |
| Highways, streets and bridges | 3,165,639 | 2,562,769 |
| Culture and recreation | 465,538 | 570,113 |
| Community development | 330,041 | 340,815 |
| Interest on long-term debt | 2,710,134 | 2,834,154 |
| Total expenses | <u>19,958,523</u> | <u>19,967,795</u> |
| Change in net assets | 2,182,012 | 1,825,802 |
| Net assets - beginning of year | <u>16,937,313</u> | <u>15,111,511</u> |
| Net assets - end of year | <u>\$ 19,119,325</u> | <u>\$ 16,937,313</u> |

The City's net assets increased during the current fiscal year as a result of various factors. The increase in property taxes was primarily due to settlement of ACH's case before the Michigan Tax Tribunal more favorably than budgeted. In addition, collection related to prior periods as a result of this settlement were recorded in miscellaneous revenue in the General Fund. State-shared revenue decreased due to the State's

structural budget problems. Health care costs decreased due to changes in the plan. The City closely monitored its spending in all areas all throughout the year. Some vacant positions intentionally remained unfilled during the year. As a result combined departmental expenses for the current year were less than the previous fiscal year.

Financial Analysis of the City's Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* 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 City's governmental funds reported combined ending fund balances of \$21,036,696, an increase of \$1,657,907 in comparison with the prior year. Approximately 68% of this total amount (or \$14,207,255) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed for debt service, to purchase land held for resale, and for inventory and prepaid items.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved undesignated fund balance of the general fund was \$2,947,235, while total fund balance was \$9,468,617. As a measure of the general fund's liquidity, it may be useful to compare unreserved undesignated fund balance to total general fund expenditures. Unreserved undesignated fund balance represents 21.97% of total general fund expenditures and other financing uses. Overall, the fund balance of the general fund increased by \$2,171,303 for the year, which was \$601,820 better than the final budget.

Other factors affecting the general fund financial results for the year include:

- Total general fund revenue was up about 4.5% compared to the prior fiscal year. Most of the City's operating revenue is provided by property taxes collected, which were relatively flat compared to last fiscal year. As mentioned above, the increase in current year tax collection was from the ACH Michigan Tax Tribunal settlement. State-shared revenue decreased about 2.4% from the previous year, continuing the annual reductions that began in 2001.
- Some needed building improvements at Parkridge Community Center and Rutherford Pool that had been postponed in previous fiscal years were carried out with grant funds passed through Washtenaw County. Additionally, the City received CDBG funds for use to install curb cuts to improve handicap accessibility. We received a Building Healthy Community grant from Washtenaw County which was used to develop a non-motorized transportation plan. The City conserved funds by leaving several vacated positions unfilled, delayed filling vacated positions, and continued cutting department costs.
- The City's Fire Department received a Homeland Security grant for improving their facilities by adding building sprinklers and an air exchange, and refurbishing of training tower.

- The Police Department received a Department of Justice, Lawnet Conspiracy Continuation Project grant used to assist with drug control.
- The City continued to invest in road infrastructure to the extent that federal and state funds were available through the Michigan Department of Transportation and Washtenaw Area Transportation Study.
- The City was able to transfer \$300,000 to the Water Street Debt Service Fund and City Council set aside \$1.59 million of fund balance toward the future debt payments for the Water Street project, for which debt principal first comes due starting in fiscal 2009-10.

The land revolving, 2003-B capital improvement bonds and 2004-B general obligation bonds capital projects funds had ending fund balances of \$2,103,211, \$1,560,116 and \$931,111, respectively. All of these fund balances are reserved for land held for resale, except for \$48,083 of unreserved, undesignated fund balance in the land revolving capital project fund. That fund was the only one of the three that had activity for the current year, which was a fund balance increase of \$3,160 for investment earnings.

General Fund Budgetary Highlights

Over the course of the year, the City amended the budget to take into account various events occurring during the year. Nearly all departments stayed below budget, resulting in total expenditures being below the amended budget. Recreation expenditures for Parkridge, Rutherford Pool and the Senior Center continued to be funded by donations from the Ann Arbor Area Community Foundation, many public and private organization supporters, and the City contributed utilities. The City will continue to find ways to reduce costs and yet provide the essential services to the citizens of Ypsilanti, allowing for favorable budgetary results.

Capital Assets and Debt Administration

Capital Assets. At the end of fiscal 2009, the City had \$26,674,609 invested in a broad range of net capital assets including land, land improvements, buildings and improvements, sidewalks, roads, police and fire equipment, vehicles, and other various equipment.

City of Ypsilanti's Capital Assets
(net of depreciation)

| | Governmental activities | |
|----------------------------|--------------------------------|----------------------|
| | 2009 | 2008 |
| Land | \$ 760,443 | \$ 755,585 |
| Infrastructure | 19,625,821 | 20,615,798 |
| Buildings and improvements | 3,628,945 | 3,705,246 |
| Vehicles and equipment | 2,187,475 | 2,342,554 |
| Construction in progress | 471,925 | 579,054 |
| Total | \$ 26,674,609 | \$ 27,998,237 |

Major capital asset events during the current fiscal year included:

- Purchase of a Bobcat and attachments, John Deere wide area mower, FWD John Deere tractor, brush chipper, and pickup truck for use by the Department of Public Services.
- Purchase Jeep Liberty 4 x 4 for Fire Department Services.
- Purchase of a trash truck for Environmental Services.
- Road improvements on South Mansfield from Michigan Avenue to the end of the business park, and Armstrong/First Street.
- Facility improvements including overhead heaters and training tower repairs at the Fire building, new boiler and windows at the Police building, and ADA door compliance at City Hall.

Additional information on the City’s capital assets can be found in Note 3-D. on pages 40-41 of this report.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$61,576,554. Of this amount, \$26,800,000 is comprised of debt backed by the full faith and credit of the government. The remainder of the City’s bonded debt represents bonds secured solely by specified revenue sources.

City of Ypsilanti’s Outstanding Debt
General Obligation and Revenue Bonds

| | Governmental activities | |
|--------------------------|--------------------------------|----------------------|
| | 2009 | 2008 |
| General obligation bonds | \$ 26,800,000 | \$ 27,750,000 |
| Revenue bonds | 34,776,554 | 35,797,596 |
| Total | \$ 61,576,554 | \$ 63,547,596 |

The City has an A rating from Standard & Poor’s on its water and sewer refunding bonds dated December 29, 2008. The stated rating reflects “a relatively stable customer base, despite some concentration. Liquidity levels have been very strong over the past few fiscal years.”

Additional information on the City’s long-term debt can be found in Note 3-H. on pages 43-47 of this report.

Economic Factors and Next Year's Budgets and Rates

The City's expenditure budget for next fiscal year is \$1,071,318 more than the current year amended budget which includes \$650,299 of fund balance that will be used for major street reconstruction. Revenues are budgeted to be about \$1,148,464 lower. The City is expecting a significant decrease in property tax revenue of \$628,507 for the 2009-10 fiscal year mainly due to the approximate 8.0% decline in assessed property values. The City continues to seek cost savings resulting in a reduction of full-time employees from 106.75 to 104.15 and a corresponding reduction in service levels in some areas. In addition, employee health care benefits were restructured resulting in some savings along with the employees sharing some of the cost. The City will continue to explore consolidation of some services with neighboring governmental units.

Contacting the City's Management

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional information, you are welcome to contact the clerk's office at (734) 483-1100.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF YPSILANTI, MICHIGAN
Statement of Net Assets
June 30, 2009

| | Primary Government | Component |
|--|------------------------------------|------------------|
| | Governmental Activities | Units |
| Assets | | |
| Cash and cash equivalents | \$ 21,456,989 | \$ 834,940 |
| Investments | 760,160 | - |
| Receivables | 33,295,082 | 122,309 |
| Prepaid items and other assets | 5,746,182 | 692 |
| Other non-current assets - other post-employment benefits assets | 290,487 | - |
| Capital assets not being depreciated | 1,232,368 | 53,200 |
| Capital assets being depreciated, net | 25,442,241 | 2,333,943 |
| Total assets | 88,223,509 | 3,345,084 |
| Liabilities | | |
| Accounts payable and accrued expenses | 3,124,123 | 40,655 |
| Due to other governments | - | 84,389 |
| Unearned revenue | 164,958 | 31,999 |
| Long-term liabilities: | | |
| Due within one year | 3,053,504 | 113,100 |
| Due in more than one year | 62,761,599 | 1,228,713 |
| Total liabilities | 69,104,184 | 1,498,856 |
| Net assets | | |
| Invested in capital assets, net of related debt | 15,117,105 | 1,049,270 |
| Restricted for: | | |
| Debt service | 3,638,070 | - |
| Capital projects | 5,628,417 | 56,391 |
| Highways and streets | 1,349,585 | - |
| Unrestricted (deficit) | (6,613,852) | 740,567 |
| Total net assets | \$ 19,119,325 | \$ 1,846,228 |

The accompanying notes are an integral part of these financial statements.

CITY OF YPSILANTI, MICHIGAN
Statement of Activities
For the Year Ended June 30, 2009

| Functions / Programs | Expenses | Program Revenues | | | Net (Expense) Revenue |
|--------------------------------|----------------------|-----------------------------|---|---|------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Primary government | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 2,788,130 | \$ 1,445,822 | \$ 7,865 | \$ 20,416 | \$ (1,314,027) |
| Public safety | 8,563,993 | 947,998 | 326,952 | 73,834 | (7,215,209) |
| Public works | 1,935,048 | - | - | - | (1,935,048) |
| Highways, streets and bridges | 3,165,639 | - | 1,584,110 | - | (1,581,529) |
| Culture and recreation | 465,538 | - | 70,270 | - | (395,268) |
| Community development | 330,041 | 1,200 | - | - | (328,841) |
| Interest on long-term debt | 2,710,134 | - | 1,745,199 | - | (964,935) |
| Total governmental activities | <u>\$ 19,958,523</u> | <u>\$ 2,395,020</u> | <u>\$ 3,734,396</u> | <u>\$ 94,250</u> | <u>\$ (13,734,857)</u> |
| Component units | | | | | |
| Community/economic development | <u>\$ 1,124,788</u> | <u>\$ -</u> | <u>\$ 569,623</u> | <u>\$ -</u> | <u>\$ (555,165)</u> |

continued...

CITY OF YPSILANTI, MICHIGAN
Statement of Activities (Concluded)
For the Year Ended June 30, 2009

| | <u>Primary Governmental Activities</u> | <u>Component Units</u> |
|---|--|----------------------------|
| Changes in net assets | | |
| Net expense | <u>\$ (13,734,857)</u> | <u>\$ (555,165)</u> |
| General revenues: | | |
| Property taxes | 12,098,938 | 1,065,022 |
| Grants and contributions not restricted to specific programs | 3,000,840 | 21,156 |
| Unrestricted investment earnings | <u>817,091</u> | <u>13,597</u> |
| Total general revenues | <u>15,916,869</u> | <u>1,099,775</u> |
| Change in net assets | 2,182,012 | 544,610 |
| Net assets, beginning of year, as restated | <u>16,937,313</u> | <u>1,301,618</u> |
| Net assets, end of year | <u><u>\$ 19,119,325</u></u> | <u><u>\$ 1,846,228</u></u> |

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

CITY OF YPSILANTI, MICHIGAN
Balance Sheet
Governmental Funds
June 30, 2009

| | <u>General</u> | <u>Land Revolving</u> | <u>Major Streets</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|----------------------|---------------------------|--------------------------|---|---|
| <u>ASSETS</u> | | | | | |
| Assets | | | | | |
| Cash and cash equivalents | \$ 8,601,125 | \$ 228,117 | \$ 1,014,028 | \$ 5,846,655 | \$ 15,689,925 |
| Investments | 479,127 | - | 4,250 | - | 483,377 |
| Accounts receivable | 259,749 | - | 36,441 | 4,457 | 300,647 |
| Land held for resale | - | 2,055,128 | - | 2,700,608 | 4,755,736 |
| Special assessments receivable | 46,910 | - | - | 5,045 | 51,955 |
| Due from other funds | 110,625 | - | - | - | 110,625 |
| Due from other governments | 536,114 | - | 218,005 | 224,026 | 978,145 |
| Prepaid items | 116,818 | - | - | - | 116,818 |
| Inventory | 92,021 | - | - | - | 92,021 |
| | <u>\$ 10,242,489</u> | <u>\$ 2,283,245</u> | <u>\$ 1,272,724</u> | <u>\$ 8,780,791</u> | <u>\$ 22,579,249</u> |
| <u>TOTAL ASSETS</u> | | | | | |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ 126,681 | \$ - | \$ 236,680 | \$ 131,479 | \$ 494,840 |
| Accrued liabilities | 327,712 | 11,626 | 5,592 | 16,440 | 361,370 |
| Due to other funds | - | - | - | 110,625 | 110,625 |
| Due to other governments | 68,426 | - | - | 69,705 | 138,131 |
| Tax refunds payable | 40,582 | - | - | 13,081 | 53,663 |
| Deferred revenue | 210,471 | 168,408 | - | 5,045 | 383,924 |
| | <u>773,872</u> | <u>180,034</u> | <u>242,272</u> | <u>346,375</u> | <u>1,542,553</u> |
| Fund balances: | | | | | |
| Reserved for: | | | | | |
| Prepaid items | 116,818 | - | - | - | 116,818 |
| Inventory | 92,021 | - | - | - | 92,021 |
| Land held for resale | - | 2,055,128 | - | 2,700,608 | 4,755,736 |
| Debt service | - | - | - | 1,864,866 | 1,864,866 |
| Unreserved: | | | | | |
| Designated (Note 3-I) | 6,312,543 | - | - | - | 6,312,543 |
| Undesignated | 2,947,235 | 48,083 | 741,387 | - | 3,736,705 |
| Designated for subsequent year: | | | | | |
| Special revenue funds | - | - | 289,065 | 320,267 | 609,332 |
| Undesignated, reported in nonmajor: | | | | | |
| Special revenue funds | - | - | - | 950,873 | 950,873 |
| Debt service funds | - | - | - | 1,773,204 | 1,773,204 |
| Capital projects funds | - | - | - | 824,598 | 824,598 |
| Total fund balances | <u>9,468,617</u> | <u>2,103,211</u> | <u>1,030,452</u> | <u>8,434,416</u> | <u>21,036,696</u> |
| | <u>\$ 10,242,489</u> | <u>\$ 2,283,245</u> | <u>\$ 1,272,724</u> | <u>\$ 8,780,791</u> | <u>\$ 22,579,249</u> |
| <u>TOTAL LIABILITIES AND FUND BALANCES</u> | | | | | |

The accompanying notes are an integral part of these financial statements.

CITY OF YPSILANTI, MICHIGAN
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets of
Governmental Activities on the Statement of Net Assets
June 30, 2009

| | | |
|--|----|------------|
| Fund balances - total governmental funds | \$ | 21,036,696 |
|--|----|------------|

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

| | | |
|-----------------------------------|--|--------------|
| Add - capital assets | | 48,182,428 |
| Deduct - accumulated depreciation | | (23,475,030) |

| | | |
|---|--|---------|
| Special assessment and sale of property receivables are expected to be collected over several years but are not available to pay for current year expenditures. | | 218,966 |
|---|--|---------|

An internal service fund is used by management to charge the costs of certain equipment usage to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.

| | | |
|---|--|-----------|
| Add - net assets of governmental activities accounted for in internal service funds | | 6,678,306 |
|---|--|-----------|

Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

| | | |
|--|--|--------------|
| Add - other non-current assets - other postemployment benefits | | 290,487 |
| Deduct - bonds and purchase agreements payable | | (64,824,408) |
| Add - leases receivable from joint venture entity for debt-financed property | | 31,962,276 |
| Add - unamortized debt issuance costs | | 705,148 |
| Deduct - accrued interest on bonds payable | | (664,849) |
| Deduct - compensated absences | | (990,695) |

| | | |
|---------------------------------------|----|-------------------|
| Net assets of governmental activities | \$ | <u>19,119,325</u> |
|---------------------------------------|----|-------------------|

The accompanying notes are an integral part of these financial statements.

CITY OF YPSILANTI, MICHIGAN
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2009

| | <u>General</u> | <u>Land Revolving</u> | <u>Major Streets</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|---------------------|---------------------------|--------------------------|---|---|
| Revenues | | | | | |
| Taxes and special assessments | \$ 9,579,007 | \$ - | \$ - | \$ 2,519,931 | \$ 12,098,938 |
| Licenses and permits | 594,330 | - | 4,620 | 58,509 | 657,459 |
| Intergovernmental | 3,211,837 | - | 1,112,952 | 3,342,476 | 7,667,265 |
| Charges for services | 582,283 | - | - | - | 582,283 |
| Fines and forfeits | 445,965 | - | - | - | 445,965 |
| Investment earnings | 574,216 | 3,160 | 113,891 | 51,840 | 743,107 |
| Other revenues | 602,004 | - | 1,644 | 236,829 | 840,477 |
| Total revenues | <u>15,589,642</u> | <u>3,160</u> | <u>1,233,107</u> | <u>6,209,585</u> | <u>23,035,494</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General government | 2,047,064 | - | - | 123,125 | 2,170,189 |
| Public safety | 8,257,364 | - | - | 174,460 | 8,431,824 |
| Public works | 594,054 | - | - | 600,712 | 1,194,766 |
| Refuse collection | - | - | - | 1,184,977 | 1,184,977 |
| Highways, streets and bridges | - | - | 995,653 | 696,158 | 1,691,811 |
| Culture and recreation | 281,355 | - | - | 76,824 | 358,179 |
| Community development | - | - | - | 146,167 | 146,167 |
| Public transit | 226,756 | - | - | - | 226,756 |
| Unallocated employee benefits | 1,188,986 | - | - | - | 1,188,986 |
| Debt service: | | | | | |
| Principal | - | 52,500 | - | 2,574,579 | 2,627,079 |
| Interest and fiscal charges | - | - | - | 2,692,892 | 2,692,892 |
| Total expenditures | <u>12,595,579</u> | <u>52,500</u> | <u>995,653</u> | <u>8,269,894</u> | <u>21,913,626</u> |
| Revenues over (under) expenditures | <u>2,994,063</u> | <u>(49,340)</u> | <u>237,454</u> | <u>(2,060,309)</u> | <u>1,121,868</u> |
| Other financing sources (uses) | | | | | |
| Issuance of bonds | - | - | - | 503,958 | 503,958 |
| Transfers in | 24,000 | 52,500 | 7,661 | 1,134,979 | 1,219,140 |
| Transfers out | (846,760) | - | (212,000) | (128,299) | (1,187,059) |
| Total other financing sources (uses) | <u>(822,760)</u> | <u>52,500</u> | <u>(204,339)</u> | <u>1,510,638</u> | <u>536,039</u> |
| Net changes in fund balances | 2,171,303 | 3,160 | 33,115 | (549,671) | 1,657,907 |
| Fund balances, beginning of year, as restated | <u>7,297,314</u> | <u>2,100,051</u> | <u>997,337</u> | <u>8,984,087</u> | <u>19,378,789</u> |
| Fund balances, end of year | <u>\$ 9,468,617</u> | <u>\$ 2,103,211</u> | <u>\$ 1,030,452</u> | <u>\$ 8,434,416</u> | <u>\$ 21,036,696</u> |

The accompanying notes are an integral part of these financial statements.

CITY OF YPSILANTI, MICHIGAN
Reconciliation of the Statement of Revenues, Expenditures
and Change in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2009

Net change in fund balances - total governmental funds \$ 1,657,907

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

| | |
|---|-------------|
| Add - capital outlay expenditures | 786,155 |
| Deduct - depreciation expense | (2,088,809) |
| Add - capital contributions | 140,652 |
| Deduct - loss on disposal of capital assets | (1,721) |

Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

| | |
|---|-------------|
| Deduct - bond proceeds | (503,958) |
| Add - principal payments on long-term liabilities | 2,627,079 |
| Deduct - change in leases receivable for debt-financed property | (1,107,952) |

An internal service fund is used by management to charge the costs of certain equipment usage to individual funds. The net revenue (expense) attributable to those funds is reported with governmental activities.

| | |
|---|---------|
| Add - change in net assets of government internal service funds | 462,690 |
|---|---------|

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

| | |
|---|----------|
| Add - increase in other non-current assets - other postemployment benefits assets | 290,487 |
| Deduct - increase in accrued interest payable on bonds | (17,242) |
| Deduct - increase in the accrual for compensated absences | (63,276) |

| | |
|---|--------------|
| Change in net assets of governmental activities | \$ 2,182,012 |
|---|--------------|

The accompanying notes are an integral part of these financial statements.

CITY OF YPSILANTI, MICHIGAN
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Actual</u> |
|-------------------------------|-------------------------|-------------------|-------------------|---------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Over (Under)</u> |
| | | | | <u>Final Budget</u> |
| Revenues | | | | |
| Taxes and special assessments | \$ 9,100,260 | \$ 9,606,059 | \$ 9,579,007 | \$ (27,052) |
| Licenses and permits | 575,871 | 533,692 | 594,330 | 60,638 |
| Intergovernmental | 3,195,049 | 3,272,380 | 3,211,837 | (60,543) |
| Charges for services | 386,610 | 586,750 | 582,283 | (4,467) |
| Fines and forfeits | 380,000 | 358,000 | 445,965 | 87,965 |
| Investment earnings | 140,000 | 325,000 | 574,216 | 249,216 |
| Other revenues | 423,366 | 658,299 | 602,004 | (56,295) |
| | <u>14,201,156</u> | <u>15,340,180</u> | <u>15,589,642</u> | <u>249,462</u> |
| Expenditures | | | | |
| General government: | | | | |
| City council | 108,790 | 110,554 | 109,826 | (728) |
| City manager | 204,911 | 209,738 | 206,509 | (3,229) |
| Community services | 1,060 | 710 | 683 | (27) |
| Elections | 132,742 | 104,919 | 82,483 | (22,436) |
| Accounting | 272,734 | 275,673 | 266,416 | (9,257) |
| Assessing | 83,188 | 82,297 | 81,906 | (391) |
| General legal | 52,140 | 52,140 | 52,140 | - |
| Ordinance prosecution | 105,000 | 105,000 | 105,000 | - |
| Litigation and appeals | 190,000 | 190,000 | 90,211 | (99,789) |
| Personnel legal | 50,000 | 35,000 | 18,778 | (16,222) |
| City clerk | 172,363 | 162,233 | 150,448 | (11,785) |
| Human resources | 153,486 | 157,992 | 153,626 | (4,366) |
| Treasurer | 199,443 | 193,777 | 184,797 | (8,980) |
| Public building maintenance | 405,151 | 372,658 | 357,192 | (15,466) |
| Planning and development | 187,841 | 190,542 | 187,049 | (3,493) |
| Total general government | <u>2,318,849</u> | <u>2,243,233</u> | <u>2,047,064</u> | <u>(196,169)</u> |
| Public safety: | | | | |
| Police | 5,155,934 | 4,939,662 | 4,872,165 | (67,497) |
| Fire | 2,712,517 | 2,920,283 | 2,909,352 | (10,931) |
| Ordinance enforcement | 138,574 | 133,608 | 128,381 | (5,227) |
| Building inspection | 426,080 | 354,212 | 347,466 | (6,746) |
| Total public safety | <u>8,433,105</u> | <u>8,347,765</u> | <u>8,257,364</u> | <u>(90,401)</u> |

continued...

CITY OF YPSILANTI, MICHIGAN
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Concluded)
General Fund
For the Year Ended June 30, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Actual Over (Under) Final Budget</u> |
|--|----------------------------|----------------------------|----------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Expenditures (Concluded) | | | | |
| Public works: | | | | |
| Public works department | \$ 188,225 | \$ 182,762 | \$ 157,289 | \$ (25,473) |
| Street lighting | 447,558 | 447,558 | 436,765 | (10,793) |
| Total public works | <u>635,783</u> | <u>630,320</u> | <u>594,054</u> | <u>(36,266)</u> |
| Parks and recreation | <u>335,763</u> | <u>318,170</u> | <u>281,355</u> | <u>(36,815)</u> |
| Public transit | <u>274,000</u> | <u>226,756</u> | <u>226,756</u> | <u>-</u> |
| Unallocated employee benefits | <u>1,330,514</u> | <u>1,165,613</u> | <u>1,188,986</u> | <u>23,373</u> |
| | | | | |
| Total expenditures | <u>13,328,014</u> | <u>12,931,857</u> | <u>12,595,579</u> | <u>(336,278)</u> |
| | | | | |
| Revenues over expenditures | <u>873,142</u> | <u>2,408,323</u> | <u>2,994,063</u> | <u>585,740</u> |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | 24,000 | 24,000 |
| Transfers out | (745,072) | (838,840) | (846,760) | (7,920) |
| Total other financing uses | <u>(745,072)</u> | <u>(838,840)</u> | <u>(822,760)</u> | <u>16,080</u> |
| | | | | |
| Net changes in fund balance | 128,070 | 1,569,483 | 2,171,303 | 601,820 |
| | | | | |
| Fund balance, beginning of year, as restated | <u>7,297,314</u> | <u>7,297,314</u> | <u>7,297,314</u> | <u>-</u> |
| | | | | |
| Fund balance, end of year | <u><u>\$ 7,425,384</u></u> | <u><u>\$ 8,866,797</u></u> | <u><u>\$ 9,468,617</u></u> | <u><u>\$ 601,820</u></u> |

The accompanying notes are an integral part of these financial statements.

CITY OF YPSILANTI, MICHIGAN
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Major Streets Fund
For the Year Ended June 30, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Actual</u> |
|---------------------------------------|-------------------------|-------------------|---------------------|---------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Over (Under)</u> |
| Revenues | | | | |
| Licenses and permits | \$ 20,000 | \$ 5,000 | \$ 4,620 | \$ (380) |
| Intergovernmental - state | 1,247,431 | 1,118,177 | 1,112,952 | (5,225) |
| Investment earnings | 20,000 | 35,000 | 113,891 | 78,891 |
| Other revenues | 289,065 | 149,816 | 1,644 | (148,172) |
| Total revenues | <u>1,576,496</u> | <u>1,307,993</u> | <u>1,233,107</u> | <u>(74,886)</u> |
| Expenditures | | | | |
| Public works: | | | | |
| Street construction | 548,600 | 281,704 | 314,117 | 32,413 |
| Routine maintenance | 359,515 | 337,382 | 329,909 | (7,473) |
| Routine maintenance - bridges | 5,000 | 1,000 | 580 | (420) |
| Traffic services | 92,978 | 75,314 | 70,540 | (4,774) |
| Winter maintenance | 109,338 | 155,450 | 103,598 | (51,852) |
| Administration | 66,009 | 49,174 | 57,221 | 8,047 |
| Trunkline maintenance | 140,056 | 152,969 | 119,688 | (33,281) |
| Total expenditures | <u>1,321,496</u> | <u>1,052,993</u> | <u>995,653</u> | <u>(57,340)</u> |
| Revenues over expenditures | <u>255,000</u> | <u>255,000</u> | <u>237,454</u> | <u>(17,546)</u> |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | 7,661 | 7,661 |
| Transfers out | (255,000) | (255,000) | (212,000) | 43,000 |
| Total other sources (uses) | <u>(255,000)</u> | <u>(255,000)</u> | <u>(204,339)</u> | <u>50,661</u> |
| Net changes in fund balance | - | - | 33,115 | 33,115 |
| Fund balance, beginning of year | <u>997,337</u> | <u>997,337</u> | <u>997,337</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 997,337</u> | <u>\$ 997,337</u> | <u>\$ 1,030,452</u> | <u>\$ 33,115</u> |

CITY OF YPSILANTI, MICHIGAN
Statement of Net Assets
Proprietary Funds - Internal Service Funds
June 30, 2009

Assets

Current assets:

| | |
|---------------------------|---------------|
| Cash and cash equivalents | \$ 5,767,064 |
| Investments | 276,783 |
| Accounts receivable | 2,059 |
| Inventory | 25,011 |
| Prepaid items | <u>51,448</u> |

Total current assets 6,122,365

Noncurrent assets - capital assets, net 1,967,211

Total assets 8,089,576

Liabilities

Current liabilities:

| | |
|--|----------------|
| Accounts payable and accrued liabilities | 772,270 |
| Current portion of claims payable | <u>255,600</u> |

Total current liabilities 1,027,870

Noncurrent liabilities - claims payable, net 383,400

Total liabilities 1,411,270

Net assets

| | |
|----------------------------|------------------|
| Invested in capital assets | 1,967,211 |
| Unrestricted | <u>4,711,095</u> |

Total net assets \$ 6,678,306

The accompanying notes are an integral part of these financial statements.

CITY OF YPSILANTI, MICHIGAN
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Funds - Internal Service Funds
For the Year Ended June 30, 2009

| | |
|--------------------------------|----------------------------|
| Operating revenues | |
| Charges for services | <u>\$ 2,767,778</u> |
| Operating expenses | |
| Salaries, taxes and benefits | 201,061 |
| Gas, oil and fuel | 116,295 |
| Depreciation | 475,728 |
| Operation and maintenance | 163,688 |
| Contractual services and fees | 199,837 |
| Insurance and other | 67,854 |
| Benefits and claims | <u>1,613,463</u> |
| Total operating expenses | <u>2,837,926</u> |
| Operating loss | <u>(70,148)</u> |
| Nonoperating revenues | |
| Interest income | 536,073 |
| Gain on sale of equipment | <u>28,846</u> |
| Total nonoperating revenues | <u>564,919</u> |
| Income before transfers | 494,771 |
| Transfers out | <u>(32,081)</u> |
| Change in net assets | 462,690 |
| Net assets, beginning of year | <u>6,215,616</u> |
| Net assets, end of year | <u><u>\$ 6,678,306</u></u> |

The accompanying notes are an integral part of these financial statements.

CITY OF YPSILANTI, MICHIGAN
Statement of Cash Flows
Proprietary Funds - Internal Service Funds
For the Year Ended June 30, 2009

| | Total |
|--|---------------------|
| Cash flows from operating activities | |
| Cash received from interfund services | \$ 2,768,354 |
| Cash payments to employees | (201,061) |
| Cash payments for claims | (1,023,077) |
| Cash payments to suppliers for goods and services | (478,854) |
| Net cash provided by operating activities | 1,065,362 |
| Cash flows from noncapital financing activities | |
| Transfer to other funds | (32,081) |
| Cash flows from capital and related financing activities | |
| Purchase of capital assets | (315,822) |
| Proceeds from sale of capital assets | 28,846 |
| Net cash used by capital and related financing activities | (286,976) |
| Cash flows from investing activities | |
| Proceeds from matured investments | 1,175,010 |
| Investment income | 536,073 |
| Net cash provided by investing activities | 1,711,083 |
| Net increase in cash and cash equivalents | 2,457,388 |
| Cash and cash equivalents, beginning of year | 3,309,676 |
| Cash and cash equivalents, end of year | \$ 5,767,064 |
| Reconciliation of operating loss to net cash provided by operating activities | |
| Operating loss | \$ (70,148) |
| Adjustments to reconcile operating loss to net cash provided by operating activities: | |
| Depreciation | 475,728 |
| Changes in assets and liabilities: | |
| Accounts receivable | 576 |
| Inventory | 17,418 |
| Prepaid items | (16,882) |
| Accounts payable and accrued liabilities | 596,798 |
| Due to other funds | (15,128) |
| Claims payable | 77,000 |
| Net cash provided by operating activities | \$ 1,065,362 |

The accompanying notes are an integral part of these financial statements.

CITY OF YPSILANTI, MICHIGAN
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds - Employees' Retirement System Pension Trust Fund
For the Year Ended June 30, 2009

Additions

Investment income:

| | |
|--|-----------------|
| Net depreciation in fair value of investments | \$ (4,847,991) |
| Interest and dividends | 765,728 |
| Less investment management fees | <u>(88,433)</u> |

| | |
|-----------------------|--------------------|
| Total investment loss | <u>(4,170,696)</u> |
|-----------------------|--------------------|

Contributions:

| | |
|-------------------|----------------|
| City of Ypsilanti | 946,937 |
| Participants | <u>399,238</u> |

| | |
|---------------------|------------------|
| Total contributions | <u>1,346,175</u> |
|---------------------|------------------|

| | |
|--|--------------------|
| Total additions (investment loss in excess of contributions) | <u>(2,824,521)</u> |
|--|--------------------|

Deductions

| | |
|-------------------------|---------------|
| Participant benefits | 2,096,903 |
| Participant refunds | 304,554 |
| Administrative expenses | <u>44,275</u> |

| | |
|------------------|------------------|
| Total deductions | <u>2,445,732</u> |
|------------------|------------------|

| | |
|---|-------------|
| Net deductions to net assets held in trust for benefits | (5,270,253) |
|---|-------------|

| | |
|--|-------------------|
| Net assets held in trust for pension benefits, beginning of year | <u>30,628,653</u> |
|--|-------------------|

| | |
|---|-----------------------------|
| Net assets held in trust for pension benefits, end of year | <u><u>\$ 25,358,400</u></u> |
|---|-----------------------------|

The accompanying notes are an integral part of these financial statements.

COMPONENT UNIT FINANCIAL STATEMENTS

CITY OF YPSILANTI, MICHIGAN
Combining Statement of Net Assets
Component Units
June 30, 2009

| | Downtown Development Authority | Depot Town Downtown Development Authority | Economic Development Corporation | Brownfield Redevelopment Authority | Totals |
|--|---|--|---|---|---------------------|
| Assets | | | | | |
| Cash and cash equivalents | \$ 286,855 | \$ 306,110 | \$ 210,903 | \$ 31,072 | \$ 834,940 |
| Accounts receivable | 100,010 | - | - | - | 100,010 |
| Due from other governments | 22,299 | - | - | - | 22,299 |
| Prepays | 692 | - | - | - | 692 |
| Capital assets not being depreciated | - | - | 53,200 | - | 53,200 |
| Capital assets being depreciated, net | 2,228,943 | 105,000 | - | - | 2,333,943 |
| Total assets | 2,638,799 | 411,110 | 264,103 | 31,072 | 3,345,084 |
| Liabilities | | | | | |
| Accounts payable | 27,216 | 1,866 | - | - | 29,082 |
| Accrued liabilities | 11,573 | - | - | - | 11,573 |
| Due to other governments | 365 | 11,860 | 72,164 | - | 84,389 |
| Unearned revenues | 16,699 | - | - | 15,300 | 31,999 |
| Long-term liabilities: | | | | | |
| Due within one year | 98,940 | 14,160 | - | - | 113,100 |
| Due in more than one year | 1,135,000 | 93,713 | - | - | 1,228,713 |
| Total liabilities | 1,289,793 | 121,599 | 72,164 | 15,300 | 1,498,856 |
| Net assets (deficit) | | | | | |
| Invested in capital assets, net of related debt | 998,943 | (2,873) | 53,200 | - | 1,049,270 |
| Restricted for capital projects | 56,391 | - | - | - | 56,391 |
| Unrestricted (deficit) | 293,672 | 292,384 | 138,739 | 15,772 | 740,567 |
| Total net assets | \$ 1,349,006 | \$ 289,511 | \$ 191,939 | \$ 15,772 | \$ 1,846,228 |

The accompanying notes are an integral part of the financial statements.

CITY OF YPSILANTI, MICHIGAN
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2009

| | Downtown Development Authority | Depot Town Downtown Development Authority | Economic Development Corporation | Brownfield Redevelopment Authority | Totals |
|------------------------------------|---|--|---|---|---------------------|
| Expenses | | | | | |
| Community / economic development | \$ 443,242 | \$ 105,752 | \$ 1,650 | \$ 574,144 | \$ 1,124,788 |
| Program revenues | | | | | |
| Operating grants and contributions | 569,623 | - | - | - | 569,623 |
| Net program revenue (expense) | 126,381 | (105,752) | (1,650) | (574,144) | (555,165) |
| General revenues | | | | | |
| Property taxes | 347,872 | 143,717 | - | 573,433 | 1,065,022 |
| Other revenue | - | 5,480 | 15,676 | - | 21,156 |
| Unrestricted investment earnings | 4,573 | 4,124 | 2,802 | 2,098 | 13,597 |
| Total general revenues | 352,445 | 153,321 | 18,478 | 575,531 | 1,099,775 |
| Change in net assets | 478,826 | 47,569 | 16,828 | 1,387 | 544,610 |
| Net assets, beginning of year | 870,180 | 241,942 | 175,111 | 14,385 | 1,301,618 |
| Net assets, end of year | \$ 1,349,006 | \$ 289,511 | \$ 191,939 | \$ 15,772 | \$ 1,846,228 |

The accompanying notes are an integral part of the financial statements.

NOTES to the FINANCIAL STATEMENTS

City of Ypsilanti, Michigan

Notes to Financial Statements

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City of Ypsilanti, Michigan

Notes To Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Ypsilanti, Michigan have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

1-A. Reporting Entity

The City of Ypsilanti is governed by an elected seven-member council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the City's operations, whereas discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City.

The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. Each blended or discretely presented component unit has a June 30 year end.

Blended Component Units – The City has no blended component units.

Discretely Presented Component Units – Following is a summary of the City's discretely presented component units:

| <u>Discretely Presented Component Unit</u> | <u>Included in the Reporting Entity Because</u> | <u>Separate Financial Statements Available</u> |
|---|--|---|
| Downtown Development Authority (DDA); corrects and prevents deterioration in the downtown district, encourages historical preservation and promotes economic growth within the district | City Council appoints and may remove board members and approves budget | Not prepared |
| Depot Town Downtown Development Authority; promotes development and preservation of the Depot Town DDA district | City Council appoints and may remove board members and approves budget | Not prepared |
| Economic Development Corporation (EDC); provides means and methods to encourage and assist industrial and commercial development within the City | City Council appoints and may remove board members and approves budget | Not prepared |
| Brownfield Redevelopment Authority (BRA); administers brownfield redevelopment projects | City Council appoints and may remove board members and approves budget | Not prepared |

City of Ypsilanti, Michigan

Notes To Financial Statements

1-B. Basis of Presentation

Government-wide Financial Statements. The statements of net assets and activities display information the primary government and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. Although these statements generally distinguish between *governmental* and *business-type activities*, the City has no business-type activities and, therefore, only reports governmental activities. Governmental activities generally are financed through taxes and intergovernmental revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements. The fund financial statements provide information about the City's funds, including its fiduciary funds. 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. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

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

Land Revolving Fund. This capital projects fund accounts for activity related to the purchase and development of various properties located within the City. Revenues come from various grants and proceeds from sale of land.

Major Streets Fund. This special revenue fund accounts for the expenditure of motor fuel tax revenues received through the State of Michigan that are earmarked by law to be used for major street and highway purposes.

Additionally, the City reports the following fund types:

Internal service funds. These proprietary funds account for major machinery and equipment purchases and maintenance, as well as risk management services provided to other departments of the City on a cost reimbursement basis.

City of Ypsilanti, Michigan

Notes To Financial Statements

Pension trust fund. This fiduciary fund accounts for the activities of the Police and Fire Employees' Retirement System. This fund accumulates resources for pension benefit payments to qualified police and fire employees through the collection of property tax revenues.

Agency fund. This fiduciary fund accounts for tax collections and the distributions thereof.

1-C. Measurement Focus / Basis of Accounting

Government-wide, Proprietary and Fiduciary Fund Financial Statements. The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for agency funds, which do not have a measurement focus. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the City's internal service funds are charges to other funds of the City for various services. Operating expenses for internal service funds include these services, administrative expenses, and depreciation on capital assets. All revenue and expense not meeting this definition are reported as nonoperating revenue and expenses.

Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenue is considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Property taxes, franchise taxes, licenses and interest are considered to be susceptible to accrual.

Expenditures generally are recorded when a related fund liability is incurred, except for debt service expenditures, compensated absences, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt and acquisitions under capital leases, if any, are reported as other financing sources.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the City's policy is to first apply restricted resources.

City of Ypsilanti, Michigan

Notes To Financial Statements

Private-sector standards of accounting issued prior to December 1, 1989 are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for business-type activities and enterprise funds, subject to the same limitation; this does not apply to the City since it has neither business-type activities nor enterprise funds.

1-D. Assets, Liabilities and Equity

Deposits and Investments. State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers' acceptances, and mutual funds composed of otherwise legal investments. The State's Pension Investment Act, as amended, authorizes the pension trust fund to invest in common stocks, real estate, and various other investment instruments, subject to certain limitations.

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Investments that do not have established market values are reported at estimated fair value. Cash deposits are reported at carrying amounts, which reasonably approximates fair value.

Unrealized appreciation or depreciation on pension trust fund investments due to changes in fair value are recognized each year.

Receivables and Payables. In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." All trade receivables are shown net of allowance for uncollectible amounts.

Inventories, Prepaid Items and Other Assets. Inventories in the general and internal service funds are valued at cost using the first-in/first-out method, which approximates market value. Inventories of governmental funds are recorded as expenditures when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

City of Ypsilanti, Michigan

Notes To Financial Statements

Capital Assets. Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|----------------------------|--------------|
| Infrastructure | 15 |
| Buildings and improvements | 5-70 |
| Vehicles and equipment | 3-20 |

Compensated Absences. It is the government's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. All sick and vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

Long-term Obligations. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Fund balance designations represent tentative management plans that are subject to change.

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

City of Ypsilanti, Michigan

Notes To Financial Statements

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

2-A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. All annual appropriations lapse at year end. The annual budget for the next fiscal year is prepared by the City's management by June 1 of each year and adopted by the City Council no later than June 30 of each year (i.e., prior to the start of the next fiscal year); subsequent amendments are approved by the City Council

Budgetary control is exercised at the fund level; expenditures in excess of amounts appropriated at this level are a violation of Michigan law. The accompanying budget to actual comparisons are presented at a greater level of detail than the adopted budget for management analysis only. Supplemental budgetary appropriations were made during the year, the total of which was not significant in relation to the original appropriations.

Encumbrance accounting, under which purchase orders, contracts and other firm commitments are used for the expenditure of monies, is utilized as an extension of formal budgetary control in the governmental funds. Encumbered amounts lapse at year-end.

2-B. Excess of Expenditures over Appropriations

State statutes provide that a local unit shall not incur expenditures in excess of the amounts appropriated. The approved budgets of the City were adopted on a fund level basis. During the year ended June 30, 2009, the City did not incur any expenditures in excess of the amounts appropriated at the legal level of budgetary control.

2-C. Fund Deficits

The City has an accumulated fund deficit of \$100 in the 2009 Water and Sewer Revenue DWRP (Drinking Water Revolving Fund) capital projects fund, which will be eliminated through future revenue collections.

2-D. Construction Code Fees

The City oversees building construction in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The City charges fees for these services. Beginning January 1, 2000, the law requires that collection of these fees be used only for construction costs, including an allocation of estimated overhead costs.

City of Ypsilanti, Michigan

Notes To Financial Statements

A summary of current year activity and the cumulative shortfall generated since January 1, 2000 is as follows:

| | | |
|---|----|-----------|
| Current year building permit revenue | \$ | 128,267 |
| Less related expenditures: | | |
| Direct costs | | 135,171 |
| Estimated indirect costs | | 30,954 |
| Current year shortfall | | (37,858) |
| Cumulative shortfall, beginning of year | | (373,852) |
| | | |
| Cumulative shortfall, end of year | \$ | (411,710) |

NOTE 3 – DETAILED NOTES ON ALL FUNDS

3-A. Deposits and Investments

Following is a reconciliation of deposit and investment balances as of June 30, 2009:

| | Primary Governments | Component Units | Total |
|---|--------------------------------|----------------------------|----------------------|
| Statement of net assets | | | |
| Cash and cash equivalents | \$ 21,456,989 | \$ 834,940 | \$ 22,291,929 |
| Investments | 760,160 | - | 760,160 |
| Statement of fiduciary net assets | | | |
| Cash and cash equivalents: | | | |
| Pension trust fund | 2,430,446 | - | 2,430,446 |
| Agency fund | 100,000 | - | 100,000 |
| Investments - pension trust fund | 22,927,960 | - | 22,927,960 |
| | \$ 47,675,555 | \$ 834,940 | \$ 48,510,495 |
| Deposits and investments: | | | |
| Bank deposits (checking accounts, savings accounts and CDs) | | | \$ 24,814,300 |
| Investments in securities, mutual funds and similar vehicles: | | | |
| City investment pool | | | 760,160 |
| Pension trust fund | | | 22,927,960 |
| Cash on hand | | | 8,075 |
| Total | | | \$ 48,510,495 |

City of Ypsilanti, Michigan

Notes To Financial Statements

Custodial Credit Risk - Deposits. For deposits, custodial credit risk is the risk, that in the event of a bank failure, the City's deposits may not be returned to the government. As of June 30, 2009, \$20,101,889 of the City's total bank balance of \$25,108,352 (total book balance was \$24,814,300) was exposed to custodial credit risk as it was uninsured and uncollateralized.

The City's depository and investment policy does not specifically address this risk, although the City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the City evaluates each financial institution with which it deposits City funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk – City Investment Pool. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that investment securities be held in third-party safekeeping by a designated institution and that the safekeeping agent follow the procedure of delivery *vs.* payment. As of June 30, 2009, all of the City's investments were in securities of U.S. agencies and were exposed to custodial credit risk as they were held in the City's name by the counterparty.

Credit Risk. As of June 30, 2009, all of the City's investments in securities of U.S. agencies were rated Aaa by Moody's. The City's investment policy does not have specific limits in excess of state law on investment credit risk.

Concentration of Credit Risk. At June 30, 2009, the investment portfolio of U.S. agencies was concentrated as follows: 75.0% in Federal Home Loan Mortgage Corporation and 25.0% in Federal National Mortgage Association. The City's investment policy does not address concentration of credit risk.

Interest Rate Risk. As of June 30, 2009, maturities of the City's investments in the debt securities of U.S. agencies were more than ten years. The City's investment policy does not address interest rate risk.

3-B. Investments – Pension Trust Fund

The investments of the Police and Fire Retirement System Trust Fund (the "System") are maintained separately from the City's investments, and are subject to separate investment policies and state statutes. Accordingly, the required disclosures for these investments are presented separately.

The Michigan Public Employees Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, authorizes the System to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations. The Retirement Board has the responsibility and authority to oversee the investment portfolio. Various professional investment managers are contracted to assist in managing the System's assets. All investment decisions are subject to Michigan law and the investment policy established by the Retirement Board.

City of Ypsilanti, Michigan

Notes To Financial Statements

The System's investments are held in a bank-administered trust fund. Following is a summary of the System's investments as of June 30, 2009:

**Investments at fair value, as determined by
quoted market price:**

| | |
|--|------------------|
| U.S. agencies | \$ 3,185,151 |
| Foreign government bonds | 13,795 |
| Corporate bonds | 4,243,311 |
| Bond mutual fund | 5,416,202 |
| Domestic equities | 8,061,047 |
| International equities | 502,589 |
| Domestic real estate investment trusts | 320,285 |
| Money market accounts | <u>1,185,580</u> |

Total investments \$ 22,927,960

Credit Risk. As of June 30, 2009, the System's investments in U.S. agencies and domestic corporate bonds were rated by Moody's Investor Services as follows:

| <u>Rating</u> | <u>U.S</u> | |
|---------------|--------------------|--------------------|
| | <u>agencies</u> | <u>Corporate</u> |
| Aaa | \$3,185,151 | \$ - |
| Aa2 | - | 191,410 |
| A1 | - | 703,279 |
| A2 | - | 1,599,005 |
| A3 | - | 317,940 |
| Baa1 | - | 200,526 |
| Baa2 | - | 624,414 |
| Baa3 | - | 409,252 |
| Ba1 | - | 197,485 |
| | <u>\$3,185,151</u> | <u>\$4,243,311</u> |

The System's policy regarding credit risk provides that a minimum of 70% of fixed income investments must be in the top three major grades as determined by Moody's and the balance must be in the top four major grades.

City of Ypsilanti, Michigan

Notes To Financial Statements

Custodial Credit Risk. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The System's investment policy requires that investment securities be held in trust by a third-party institution in the System's name. As such, although uninsured and unregistered, the System's investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department in the System's name. Short-term investments in money market funds are not subject to custodial credit risk.

Concentration of Credit Risk. At June 30, 2009, the investment portfolio was concentrated (i.e., had holdings in any one issue greater than or equal to 5% of the total investment portfolio) as follows:

| | <u>% of portfolio</u> |
|--|-----------------------|
| U.S. agencies | |
| Federal Home Loan Mortgage Corporation | 6.3% |
| Federal National Mortgage Association | 6.1% |

The System's policy regarding concentration of credit risk does not specify limits regarding concentration of credit risk, although it provides guidelines regarding target maximums for investment types.

Interest Rate Risk. As of June 30, 2009, maturities of the System's debt securities were as follows:

| | <u>Fair Value</u> | <u>Investment Maturities (fair value by years)</u> | | | |
|-----------------|---------------------|--|---------------------|-------------------|---------------------|
| | | <u>Less Than 1</u> | <u>1-5</u> | <u>6-10</u> | <u>More Than 10</u> |
| U.S. agencies | \$ 3,185,151 | \$ - | \$ - | \$ 120,379 | \$ 3,064,772 |
| Corporate bonds | 4,243,311 | - | 2,395,550 | 864,241 | 983,520 |
| | <u>\$ 7,428,462</u> | <u>\$ -</u> | <u>\$ 2,395,550</u> | <u>\$ 984,620</u> | <u>\$ 4,048,292</u> |

None of the above securities are callable.

The System's policy regarding interest rate risk provides that fixed income maturities may not exceed 30 years; the Systems holdings comply with this requirement.

City of Ypsilanti, Michigan

Notes To Financial Statements

Foreign Currency Risk. Foreign currency risk is the risk that significant fluctuations in exchange rates may adversely affect the fair value of an investment. The System's exposure to foreign currency risk is summarized as follows:

| <u>Investment/ Country</u> | <u>Currency</u> | <u>Fair value (in U.S. Dollars)</u> |
|---------------------------------|--------------------|---|
| Foreign government bonds | | |
| Puerto Rico | U.S dollar | \$ 13,795 |
| International equities | | |
| Bermuda | Bermudian dollar | 108,382 |
| Canada | Canadian dollar | 3 |
| Finland | European euro | 33,534 |
| Israel | Israeli new shekel | 72,694 |
| Netherlands | European euro | 65,247 |
| Singapore | Singapore dollar | 53,605 |
| Switzerland | Swiss franc | 27,487 |
| United Kingdom | British pound | 112,263 |
| Virgin Islands | U.S dollar | 29,374 |
| | | <u>502,589</u> |
| Total | | <u>\$ 516,384</u> |

The System has no policies regarding foreign currency risk and, therefore, relies on State statutes which allow for foreign investments but place no specific limitations thereon.

3-C. Receivables/Deferred Revenue

Receivables in the governmental activities are 95.8% leases, 2.8% due from other governments, 1.2% accounts receivable, and 0.2% special assessments.

Governmental funds report deferred revenue in connection with receivables for revenues that are 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. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds and activities were as follows:

City of Ypsilanti, Michigan

Notes To Financial Statements

| | <u>Unavailable</u> | <u>Unearned</u> | <u>Total</u> |
|--|--------------------|-------------------|-------------------|
| Special assessments and other amounts | | | |
| not yet due | \$ 93,996 | \$ - | \$ 93,996 |
| Sale of property (long-term receivable) | 125,000 | - | 125,000 |
| Customer deposits for future services/events | - | 164,928 | 164,928 |
| | \$ 218,996 | \$ 164,928 | \$ 383,924 |

3-D. Capital Assets

Capital asset activity of the City's governmental activities was as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|---------------------|---------------------|---------------------------|
| Governmental activities | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 755,585 | \$ 4,858 | \$ - | \$ 760,443 |
| Construction in progress | 579,054 | 774,793 | (881,922) | 471,925 |
| | 1,334,639 | 779,651 | (881,922) | 1,232,368 |
| Capital assets, being depreciated: | | | | |
| Infrastructure | 35,930,951 | 881,922 | - | 36,812,873 |
| Buildings and improvements | 6,287,223 | 83,327 | - | 6,370,550 |
| Vehicles and equipment | 7,401,078 | 379,651 | (288,275) | 7,492,454 |
| Total capital assets being depreciated | 49,619,252 | 1,344,900 | (288,275) | 50,675,877 |
| Less accumulated depreciation for: | | | | |
| Infrastructure | 15,315,153 | 1,871,899 | - | 17,187,052 |
| Buildings and improvements | 2,581,977 | 159,628 | - | 2,741,605 |
| Vehicles and equipment | 5,058,524 | 533,009 | (286,554) | 5,304,979 |
| Total accumulated depreciation | 22,955,654 | 2,564,536 | (286,554) | 25,233,636 |
| Total capital assets, being depreciated, net | 26,663,598 | (1,219,636) | (1,721) | 25,442,241 |
| Governmental activities capital assets, net | \$ 27,998,237 | \$ (439,985) | \$ (883,643) | \$ 26,674,609 |

City of Ypsilanti, Michigan

Notes To Financial Statements

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

| | |
|--|-----------------------------------|
| General government | \$ 24,286 |
| Public safety | 95,110 |
| Public works | 12,973 |
| Highways, streets and bridges | 1,871,899 |
| Culture and recreation | 84,540 |
| Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets | 475,728 |
| Total depreciation expense - governmental activities | <u><u>\$ 2,564,536</u></u> |

Capital asset activity of the City's component units was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|------------------------------|---------------------|---------------------|---------------------------|
| Component Units | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 53,200 | \$ - | \$ - | \$ 53,200 |
| Construction in progress | 986,146 | - | (986,146) | - |
| | 1,039,346 | - | (986,146) | 53,200 |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 1,895,572 | 1,569,194 | - | 3,464,766 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 1,014,713 | 116,110 | - | 1,130,823 |
| Total capital assets, being depreciated, net | 880,859 | 1,453,084 | - | 2,333,943 |
| Component units capital assets, net | \$ 1,920,205 | \$ 1,453,084 | \$ (986,146) | \$ 2,387,143 |

3-E. Payables

Payables in the governmental activities are 11.1% accrued liabilities, 4.6% property tax refunds, 19.8% interest, 19.0% claims, 38.9% vendors, and 6.6% due to other governments.

City of Ypsilanti, Michigan

Notes To Financial Statements

3-F. Interfund Receivables, Payables and Transfers

Interfund receivables and payables result from the time lag between the dates the goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. At year-end, amounts payable to the general fund were as follows:

| | |
|------------------------------|-------------------|
| Nonmajor governmental funds: | |
| Debt service | \$ 110,412 |
| Capital projects | 213 |
| | <u>\$ 110,625</u> |

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The effect of interfund activity has been eliminated from the government-wide financial statements.

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|-----------------------------|---------------------|----------------------|
| General fund | \$ 24,000 | \$ 846,760 |
| Land revolving fund | 52,500 | - |
| Nonmajor governmental funds | 1,142,640 | 340,299 |
| Internal service funds | - | 32,081 |
| | <u>\$ 1,219,140</u> | <u>\$ 1,219,140</u> |

3-G. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and potential adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government.

City of Ypsilanti, Michigan

Notes To Financial Statements

3-H. Long-term Debt

Primary Government

General obligation bonds. The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. The original amount of general obligation bonds issued in prior years for the items listed below was \$33,070,000. During the year, no new or refunding general obligation bonds were issued.

General obligation bonds are direct obligations that pledge the full faith and credit of the government. These bonds are issued as 10 to 20-year serial bonds with varying amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|---|------------------------------|------------------|---------------------|---------------------------|--------------------------------|
| 2001 capital improvements (paving) | \$ 5,230,000 | \$ - | \$ (470,000) | \$ 4,760,000 | \$ 490,000 |
| 2002 capital improvements | 295,000 | - | (25,000) | 270,000 | 25,000 |
| 2003 capital improvements | 6,485,000 | - | (455,000) | 6,030,000 | 480,000 |
| 2006 remediation of property held for resale and related project | 15,740,000 | - | - | 15,740,000 | - |
| | <u>\$27,750,000</u> | <u>\$ -</u> | <u>\$ (950,000)</u> | <u>\$26,800,000</u> | <u>\$ 995,000</u> |

Annual debt service requirements to maturity for general obligation bonds are as follows:

| | <u>Principal</u> | <u>Interest</u> |
|-----------|----------------------|----------------------|
| 2010 | \$ 995,000 | \$ 1,403,057 |
| 2011 | 1,325,000 | 1,364,244 |
| 2012 | 1,420,000 | 1,306,198 |
| 2013 | 1,530,000 | 1,241,371 |
| 2014 | 1,640,000 | 1,169,564 |
| 2015-2019 | 8,445,000 | 4,602,879 |
| 2020-2024 | 3,805,000 | 3,090,278 |
| 2025-2029 | 5,120,000 | 1,533,864 |
| 2030-2031 | 2,520,000 | 236,530 |
| | <u>\$ 26,800,000</u> | <u>\$ 15,947,985</u> |

City of Ypsilanti, Michigan

Notes To Financial Statements

Revenue bonds. The City also issues bonds where the income derived from the acquired or constructed assets is pledged to pay debt service. In this instance, the income is derived from Ypsilanti Community Utilities Authority (*see Joint Venture note*), which manages and operates the related water and wastewater systems. The original amount of revenue bonds issued in prior years for the items listed below was \$49,830,000. During the year, \$503,958 of bonds were issued. Revenue bonds outstanding at year-end are as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|------------------------------------|------------------------------|------------------|-----------------------|---------------------------|--------------------------------|
| 2001 Water & Sewer System | \$ 1,145,000 | \$ - | \$ (35,000) | \$ 1,110,000 | \$ 45,000 |
| 2002-A Water & Sewer System | 1,355,000 | - | (45,000) | 1,310,000 | 55,000 |
| 2002-B Water & Sewer System (DWRF) | 380,000 | - | (25,000) | 355,000 | 25,000 |
| 2002-C Water & Sewer System | 4,535,000 | - | (230,000) | 4,305,000 | 245,000 |
| 2003-A Water & Sewer System | 3,605,000 | - | (525,000) | 3,080,000 | 525,000 |
| 2003-B Water & Sewer System | 1,420,000 | - | (30,000) | 1,390,000 | 30,000 |
| 2003-C Water & Sewer System (DWRF) | 660,000 | - | (35,000) | 625,000 | 35,000 |
| 2003-D Water & Sewer System (DWRF) | 4,440,000 | - | (230,000) | 4,210,000 | 235,000 |
| 2004-A Water & Sewer System | 2,525,000 | - | (60,000) | 2,465,000 | 60,000 |
| 2004-B Water & Sewer System (DWRF) | 5,545,000 | - | (275,000) | 5,270,000 | 280,000 |
| 2006 Water & Sewer Refunding Bonds | 9,895,000 | - | (25,000) | 9,870,000 | 25,000 |
| 2007 Water & Sewer System (DWRF) | 292,596 | 1,106 | (10,000) | 283,702 | 10,000 |
| 2008 Water & Sewer System (DWRF) | - | 434,253 | | 434,253 | 15,000 |
| 2009 Water & Sewer System (DWRF) | - | 68,599 | | 68,599 | 1,000 |
| | \$35,797,596 | \$503,958 | \$ (1,525,000) | \$34,776,554 | \$1,586,000 |

DWRF = Drinking Water Revolving Fund (State of Michigan)

Annual debt service requirements to maturity for revenue bonds are as follows:

| | Principal | Interest |
|-----------|----------------------|----------------------|
| 2010 | \$ 1,586,000 | \$ 1,201,449 |
| 2011 | 1,645,000 | 1,151,518 |
| 2012 | 1,695,000 | 1,096,106 |
| 2013 | 1,765,000 | 1,041,259 |
| 2014 | 1,820,000 | 980,917 |
| 2015-2019 | 9,340,000 | 3,970,599 |
| 2020-2024 | 10,802,599 | 2,178,133 |
| 2025-2029 | 6,122,955 | 465,849 |
| | \$ 34,776,554 | \$ 12,085,830 |

City of Ypsilanti, Michigan

Notes To Financial Statements

Installment Obligations. The government has entered into various long-term loan and installment payment agreements. Such obligations outstanding at year-end are as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|-------------------------------|------------------------------|------------------|---------------------|---------------------------|--------------------------------|
| 2003 CDBG Loan (noncapital) | \$ 2,750,350 | \$ - | \$ - | \$ 2,750,350 | \$ - |
| 2000 DPW Office and City Hall | 204,583 | | (99,579) | 105,004 | 105,004 |
| Biltmore Agreement | 445,000 | - | (52,500) | 392,500 | 52,500 |
| | \$ 3,399,933 | \$ - | \$ (152,079) | \$ 3,247,854 | \$ 157,504 |

Annual debt service requirements to maturity for installment purchase agreements are as follows:

| | Principal | Interest |
|--------------------|---------------------|-------------------|
| 2010 | \$ 157,504 | \$ 30,000 |
| 2011 | 125,000 | 54,000 |
| 2012 | 130,000 | 49,000 |
| 2013 | 140,000 | 43,800 |
| 2014 | 780,000 | 131,000 |
| 2015-2019 | 1,575,350 | 7,000 |
| | 2,907,854 | 314,800 |
| Biltmore Agreement | 340,000 | - |
| | \$ 3,247,854 | \$ 314,800 |

Repayment of the remaining \$340,000 on the Biltmore Agreement, after payment of the current portion of \$52,500, is contingent upon certain future events occurring between now and 2030, primary of which is the City's sale of the former Biltmore property. The likelihood of such future sale is presently indeterminable.

Component Units

Component unit general obligation bonds outstanding at June 30, 2009 are as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|-------------------------------------|------------------------------|------------------|--------------------|---------------------------|--------------------------------|
| 1994 Downtown Development Limited | \$ 385,000 | \$ - | \$ (50,000) | \$ 335,000 | \$ 55,000 |
| 2004-A Downtown Development Limited | 930,000 | - | (35,000) | 895,000 | 40,000 |
| | \$ 1,315,000 | \$ - | \$ (85,000) | \$ 1,230,000 | \$ 95,000 |

City of Ypsilanti, Michigan

Notes To Financial Statements

Annual debt service requirements to maturity for component unit general obligation bonds are as follows:

| | <u>Principal</u> | <u>Interest</u> | |
|-----------|---------------------|-------------------|--|
| 2010 | \$ 95,000 | \$ 58,615 | |
| 2011 | 100,000 | 53,710 | |
| 2012 | 110,000 | 48,450 | |
| 2013 | 125,000 | 42,708 | |
| 2014 | 130,000 | 35,968 | |
| 2015-2019 | 295,000 | 122,511 | |
| 2020-2024 | 375,000 | 52,745 | |
| | <u>\$ 1,230,000</u> | <u>\$ 414,707</u> | |

Component unit revenue bonds outstanding at June 30, 2009 are as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|--------------------------------------|------------------------------|------------------|-------------------|---------------------------|--------------------------------|
| 2000 Depot Town Downtown Development | \$ 121,465 | \$ - | \$ (13,592) | \$ 107,873 | \$ 14,160 |

Annual debt service requirements to maturity for component unit revenue bonds are as follows:

| | <u>Principal</u> | <u>Interest</u> | |
|------|-------------------|------------------|--|
| 2010 | \$ 14,160 | \$ 6,222 | |
| 2011 | 15,192 | 5,341 | |
| 2012 | 16,128 | 4,417 | |
| 2013 | 17,091 | 3,410 | |
| 2014 | 18,157 | 2,357 | |
| 2015 | 19,275 | 1,237 | |
| 2016 | 7,870 | 177 | |
| | <u>\$ 107,873</u> | <u>\$ 23,161</u> | |

City of Ypsilanti, Michigan

Notes To Financial Statements

Changes in Long-Term Debt. Long-term debt activity for the year ended June 30, 2009, was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|----------------------------------|------------------------------|---------------------|-----------------------|---------------------------|--------------------------------|
| <u>Primary Government</u> | | | | | |
| General obligation bonds | \$ 27,750,000 | \$ - | \$ (950,000) | \$ 26,800,000 | \$ 995,000 |
| Revenue bonds | 35,797,596 | 503,958 | (1,525,000) | 34,776,554 | 1,586,000 |
| Installment obligations | 3,399,933 | - | (152,079) | 3,247,854 | 157,504 |
| Compensated absences | 927,419 | 985,981 | (922,705) | 990,695 | 315,000 |
| | \$ 67,874,948 | \$ 1,489,939 | \$ (3,549,784) | \$ 65,815,103 | \$3,053,504 |
| <u>Component Units</u> | | | | | |
| General obligation bonds | \$ 1,315,000 | \$ - | \$ (85,000) | \$ 1,230,000 | \$ 95,000 |
| Revenue bonds | 121,465 | - | (13,592) | 107,873 | 14,160 |
| Compensated absences | - | 3,940 | - | 3,940 | 3,940 |
| | \$ 1,436,465 | \$ 3,940 | \$ (98,592) | \$ 1,341,813 | \$ 113,100 |

For the governmental activities (primary government), compensated absences are generally liquidated by the general fund.

Defeased Debt - In prior years, the City defeased certain bonds by placing the proceeds in an irrevocable trust to provide for all future debt service payments on the bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. At June 30, 2009, \$22,075,000 of bonds outstanding are considered to be defeased.

3-I. Designated Fund Balance

The City estimates various amounts will be needed from the general fund for various needs during the upcoming fiscal years; accordingly, the following fund balance designations have been recorded:

| | |
|--|---------------------|
| Water Street project bond payments | \$ 3,505,344 |
| Active employees cumulative benefits | 990,695 |
| Other debt service | 145,420 |
| Capital projects | 278,785 |
| Legal defense | 75,000 |
| Water Street redevelopment professional fees | 125,000 |
| Energy efficiency and conservation project | 250,000 |
| Peninsular dam inspection study and repair | 100,000 |
| Cops hiring recovery program | 192,000 |
| Road reconstruction projects | 650,299 |
| | \$ 6,312,543 |

City of Ypsilanti, Michigan

Notes To Financial Statements

3-J. Net Assets

Net assets of the governmental activities were comprised of the following at June 30, 2009:

| | |
|---|-----------------------------|
| Invested in capital assets, net of related debt: | |
| Capital assets not being depreciated | \$ 1,232,368 |
| Capital assets being depreciated, net | 25,442,241 |
| General obligation bonds | (26,800,000) |
| Revenue bonds | (34,776,554) |
| Installment obligations | (3,247,854) |
| Add back debt that did not produce City capital assets: | |
| General obligation bonds | 15,740,000 |
| Revenue bonds | 34,776,554 |
| Installment obligations | 2,750,350 |
| Total invested in capital assets, net of related debt | <u>15,117,105</u> |
| Restricted for: | |
| Debt service | 3,638,070 |
| Capital projects | 5,419,036 |
| Highways and streets | 1,349,585 |
| Unrestricted (deficit) | <u>(6,404,471)</u> |
| | <u><u>\$ 19,119,325</u></u> |

NOTE 4 – OTHER INFORMATION

4-A. Risk Management

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial insurance for medical claims and participates in the Michigan Municipal League Liability and Property Pool for claims relating to property and general liability; the City is self-insured for workers' compensation claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

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

The City estimates the liability for workers' compensation claims that have been incurred through the end of the fiscal year, including claims that have been reported as well as those that have not yet been reported.

Changes in the estimated liability for the past two fiscal years were as follows (approximately 40 percent of the total liability is classified as current, the remaining as noncurrent):

City of Ypsilanti, Michigan

Notes To Financial Statements

| | <u>2009</u> | <u>2008</u> |
|--|-------------------|-------------------|
| Estimated liability, beginning of year | \$ 562,000 | \$ 521,000 |
| Estimated claims incurred, including changes in estimates | 171,902 | 69,057 |
| Claim payments | <u>(94,902)</u> | <u>(28,057)</u> |
| Estimated liability, end of year | <u>\$ 639,000</u> | <u>\$ 562,000</u> |

4-B. Property Taxes

The government's property taxes are levied each July 1 on the taxable valuation of property located in the City as of the preceding December 31, the lien date. Property taxes are payable without penalty and interest through September 14; as of February 14 of the succeeding year, unpaid real property taxes are sold to and collected by Washtenaw County. Assessed values, as established annually by the government and subject to acceptance by the County, are equalized by the State at an estimated 50% of current market value. The taxable value of real and personal property in the City for the 2008 levy was \$402,643,702. The government's general operating tax rate for fiscal 2008-09 was 19.0211 mills plus 2.7814 mills for sanitation, 3.7170 mills for streets and 5.0821 mills for police and fire pension. Property taxes are recognized in the fiscal year in which they are levied.

Property taxes for the component units are derived from tax increment financing agreements with the various applicable taxing authorities. Under these arrangements, the tax increment finance entities receive the property taxes levied on the increment of current taxable values over the base year values on those properties located within the established tax increment financing district.

4-C. Postemployment Benefits

Plan Description. The City participates in the Municipal Employees' Retirement System of Michigan (MERS), an agent multiple-employer other postemployment benefit plan that provides postemployment healthcare benefits to certain retirees and their beneficiaries. The MERS issues a publicly available financial report that includes financial statements and required supplementary information for the MERS. That report may be obtained by writing to the MERS at 1134 Municipal Way, Lansing, MI 48917.

Plan Membership. The City had 127 retirees that were eligible and receiving benefits for the year ended June 30, 2009.

Funding Policy. The City has no obligation to make contributions in advance of when the insurance premiums or benefits are due for payment; in other words, the plan may be financed on a pay-as-you-go basis. Administrative costs of the plan are paid for by the City's general fund. Plan participants are not required to contribute to the plan. For the year ended June 30, 2009, the City paid benefits and made contributions to advance-fund the plan totaling \$1,483,485.

City of Ypsilanti, Michigan

Notes To Financial Statements

Funding Progress. For the year ended June 30, 2009, the City estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2008. Such a valuation computes an annual required contribution (ARC) that represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current combined ARC is 19.8% of annual covered payroll.

Annual OPEB Cost and Net OPEB Asset. For fiscal 2009, the components of the City's annual OPEB (other postemployment benefit) cost for the year, the amount actually contributed to the plan (including pay-as-you-go amounts), and changes in the City's net OPEB asset to the plan are as follows:

| | |
|-----------------------------------|--------------------------------|
| Annual required contribution | \$ 1,192,998 |
| Payments of current costs | <u>(1,483,485)</u> |
| Decrease in net OPEB obligation | (290,487) |
| Net OPEB asset, beginning of year | <u>-</u> |
| Net OPEB asset, end of year | <u><u>\$ (290,487)</u></u> |

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current year (the only year for which data is available) were as follows:

| Year Ended | Annual Required Contribution | Actual Contribution | Percentage of ARC Contributed | Net OPEB Asset |
|---------------|------------------------------------|------------------------|-------------------------------------|----------------------|
| 6/30/09 | \$ 1,192,998 | \$ 1,483,485 | 124.3% | \$ (290,487) |

Funded Status. The funded status of the plan as of December 31, 2008, the date of the latest actuarial valuation, was as follows:

| | |
|--|------------------------------------|
| Actuarial accrued liabilities (AAL) | \$ 12,430,962 |
| Actuarial value of plan assets | <u>2,114,151</u> |
| Unfunded actuarial accrued liability (UAAL) | <u><u>\$ 10,316,811</u></u> |
| Funded ratio | 17.0% |
| Covered payroll (active plan members) | \$ 6,028,949 |
| UAAL as a percentage of covered payroll | 171.1% |

City of Ypsilanti, Michigan

Notes To Financial Statements

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

| | |
|-------------------------------|---------------------------------|
| Actuarial valuation date | 12/31/2008 |
| Actuarial cost method | Entry age normal cost |
| Amortization method | Level percent of payroll open |
| Remaining amortization period | 30 years |
| Asset valuation method | Market value |
| Discount rate | 8.0% |
| Projected salary increases | 3.0% |
| Healthcare inflation rate | 9.0% grading to 5.0% ultimately |

4-D. Defined Benefit Pension Plans

Police and Fire Retirement System

The Police and Fire Retirement System is a single-employer defined benefit pension plan that is administered by the City of Ypsilanti Police and Fire Employees' Retirement System (the "System"); this plan covers all full-time police and fire employees of the City. The System provides retirement, disability, and death benefits to plan members and their beneficiaries. The plan issues a publicly available financial report that includes financial statements and required supplementary information of the System. That report may be obtained by writing to the System at One South Huron Street, Ypsilanti, Michigan 48197.

The financial statements of the System are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Investments that do not have established market values are reported at estimated fair values as determined by the custodian under the direction of the Retirement Board with the assistance of a valuation service. Administrative costs are financed through investment earnings.

City of Ypsilanti, Michigan

Notes To Financial Statements

The obligation to contribute to the System for these employees was established by City ordinances and state statute and requires a contribution from the employees of 10.0% of gross wages. The funding policy provides for periodic employer contributions at actuarially determined rates; the current rate is 21% to 23% of covered payroll.

The annual required contribution (ARC) for the year ended June 30, 2009 is \$946,937. The ARC was made by the City. There was no net pension obligation at the beginning or the end of the fiscal year. The ARC was determined as part of an actuarial valuation as of June 30, 2008, using the entry age cost method.

Three-Year Trend Information

| <u>Years Ended June 30,</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage Contributed</u> | <u>Net Pension Obligation</u> |
|---------------------------------|--|-----------------------------------|-----------------------------------|
| 2007 | \$ 730,106 | 100% | \$ - |
| 2008 | 941,417 | 100% | - |
| 2009 | 946,937 | 100% | - |

The funded status of the pension portion of the System as of June 30, 2008, the date of the most recent actuarial valuation, was as follows:

| | | | |
|-----------------------------------|-----|---------------------|-----------|
| Actuarial accrued liability (AAL) | (1) | \$ 37,869,913 | |
| Actuarial value of assets | (2) | 32,934,094 | |
| Unfunded AAL (UAAL) | (3) | <u>\$ 4,935,819</u> | (1) - (2) |
| Funded ratio | (4) | <u>87.0%</u> | (2) / (1) |
| Covered payroll | (5) | <u>\$ 3,843,177</u> | |
| UAAL as % of covered payroll | (6) | <u>128.4%</u> | (2) / (5) |

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and mortality. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. For purposes of the schedule of funding progress, the actuarial accrued liability value is determined using the entry age actuarial cost method.

City of Ypsilanti, Michigan

Notes To Financial Statements

The accompanying schedule of employer contributions presents trend information about the amounts contributed to the System by the employer in comparison to the ARC (annual required contribution), an amount that is actuarially determined in accordance with the parameters of GASB Statement 25. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. GASB Statement 25 required supplementary information is presented after the notes to the financial statements section of this report; additional information as of June 30, 2008, the date of the latest actuarial valuation, includes:

| | |
|-------------------------------|------------------------|
| Actuarial cost method | Individual entry age |
| Amortization method | Level percent open |
| Remaining amortization period | 30 years |
| Asset valuation method | 5-year smoothed market |
| Actuarial assumptions: | |
| Investment rate of return | 8.0% |
| Projected salary increases | 4.5% to 15.0% |
| Assume rate of payroll growth | 4.5% |
| Cost-of-living adjustments | None |

Municipal Employees Retirement System of Michigan

The City also participates in the Municipal Employees' Retirement System of Michigan (MERS), an agent multiple-employer defined benefit pension plan that covers all full-time employees of the City not eligible for other retirement systems. The MERS provides retirement, disability, and death benefits to plan members and their beneficiaries. The MERS issues a publicly available financial report that includes financial statements and required supplementary information for the MERS. That report may be obtained by writing to the MERS at 1134 Municipal Way, Lansing, MI 48917.

The obligation to contribute to and maintain the MERS for these employees was established by City ordinances and requires a contribution from the employees of 3.0% of the first \$4,200 of annual compensation and 5.0% of compensation over \$4,200. The City was not required to make a contribution to the plan for the year ended June 30, 2009. This was determined as part of an actuarial valuation at December 31, 2007, using the entry age normal cost method. Significant actuarial assumptions used include: (a) an 8.0% investment rate of return; and (b) projected salary increases of 4.5% to 12.9% per year including 4.5% inflation. Both (a) and (b) are determined using techniques that smooth the effects of short-term volatility over a five-year period.

Three-Year Trend Information

| <u>Years Ended</u> <u>June 30,</u> | <u>Annual</u> <u>Pension</u> <u>Cost (APC)</u> | <u>Percentage</u> <u>Contributed</u> | <u>Net Pension</u> <u>Obligation</u> |
|---------------------------------------|--|---|---|
| 2007 | \$ 35,247 | 100% | \$ - |
| 2008 | 8,187 | 100% | - |
| 2009 | - | - | - |

City of Ypsilanti, Michigan

Notes To Financial Statements

Schedule of Funding Progress

| <u>Actuarial Valuation Date</u> | <u>(a) Actuarial Value of Assets</u> | <u>(b) Actuarial Liability (AAL) Entry Age</u> | <u>(b-a) Unfunded AAL (UAAL)</u> | <u>Funded Ratio Total</u> | <u>(c) Covered Payroll</u> | <u>((b-a)/c) UAAL as a Percentage of Covered Payroll</u> |
|---------------------------------|--------------------------------------|--|----------------------------------|---------------------------|----------------------------|--|
| 12/31/08 | \$17,533,524 | \$ 11,975,264 | \$(5,558,260) | 146% | \$ 2,672,935 | -208% |

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

4-E. Joint Venture

The City is a member of the Ypsilanti Community Utilities Authority (YCUA), which provides water and wastewater services to the residents of the City, Ypsilanti Township and other adjacent municipalities. The City appoints two of the five members of the joint venture's governing board. The joint venture does not involve an explicit, measurable equity interest; hence it is not recorded as an asset in the City's financial statements. Complete financial statements for YCUA can be obtained from its administrative offices at 2777 State Street, Ypsilanti, Michigan.

The City has issued various revenue bonds on behalf of YCUA. Proceeds from the issues are contributed to YCUA for various water and sewer improvements and construction. YCUA reimburses the City annually for debt service payments, with income derived from water and sewer use rates. The City has recorded a lease receivable on its government-wide statement of net assets for the principal balance of the bonds drawn to date by YCUA.

4-F. Land Held for Resale

The City is currently involved in a redevelopment project referred to as the Water Street Redevelopment Project. As a part of this project, the City has acquired various parcels of land in the Water Street area and is in the process of preparing them for resale and redevelopment. Through June 30, 2009, the City has acquired numerous parcels, which are recorded as land held for resale. Acquisition costs are capitalized as well as other costs (legal, consulting, etc.) that are attributable and necessary for the project. The investment is valued at the lower of cost or market.

4-G. Restatements

The beginning fund balance of the general fund was increased by \$47,246 to properly account for prior year cable franchise fees that should have been accrued, but were not. The beginning net assets of the governmental activities were increased by a total of \$254,968 which included the above general fund restatement along with increases of \$48,490 and \$159,232 to correct for amounts inappropriately expensed in separate transactions.

* * * * *

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF YPSILANTI, MICHIGAN
Police and Fire Retirement System

Required Supplementary Information

SCHEDULE OF FUNDING PROGRESS

| Actuarial Valuation Date <u>December 31,</u> | (1) Actuarial Value of Assets | (2) Actuarial Accrued Liability (AAL) Entry Age | (3) Unfunded AAL (Overfunded) (UAAL) (2-1) | (4) Funded Ratio (1/2) | (5) Covered Payroll | (6) UAAL as a % of Covered Payroll (3/5) |
|---|--|---|---|---------------------------------|---------------------------|---|
| 2001 | \$ 34,479,264 | \$ 26,933,083 | \$ (7,546,181) | 128.0% | \$ 3,813,904 | -197.9% |
| 2002 | 34,970,658 | 27,899,273 | (7,071,385) | 125.3% | 3,858,409 | -183.3% |
| 2003 | 33,916,996 | 29,020,485 | (4,896,511) | 116.9% | 4,003,846 | -122.3% |
| 2004 | 32,569,762 | 31,251,133 | (1,318,629) | 104.2% | 3,891,478 | -33.9% |
| 2005 | 31,180,708 | 32,774,898 | 1,594,190 | 95.1% | 4,042,199 | 39.4% |
| 2006 | 30,843,790 | 34,980,132 | 4,136,342 | 88.2% | 3,996,679 | 103.5% |
| 2007 | 32,056,915 | 36,211,916 | 4,155,001 | 88.5% | 3,957,733 | 105.0% |
| 2008 | 32,934,094 | 37,869,913 | 4,935,819 | 87.0% | 3,843,177 | 128.4% |

SCHEDULE OF EMPLOYER CONTRIBUTIONS

| Year Ended June 30, | Annual Required Contribution | Annual Actual Contribution | Percentage Contributed |
|---------------------------|------------------------------------|----------------------------------|---------------------------|
| 2002 | \$ - | \$ - | 100.00% |
| 2003 | - | - | 100.00% |
| 2004 | - | - | 100.00% |
| 2005 | - | - | 100.00% |
| 2006 | 500,602 | 500,602 | 100.00% |
| 2007 | 730,106 | 730,106 | 100.00% |
| 2008 | 941,417 | 941,417 | 100.00% |
| 2009 | 946,937 | 946,937 | 100.00% |

CITY OF YPSILANTI, MICHIGAN
Municipal Employees Retirement System of Michigan

Required Supplementary Information

SCHEDULE OF FUNDING PROGRESS

| Actuarial Valuation Date December 31, | (1) Actuarial Value of Assets | (2) Actuarial Accrued Liability (AAL) Entry Age | (3) Unfunded AAL (Overfunded) (UAAL) (2-1) | (4) Funded Ratio (1/2) | (5) Covered Payroll | (6) UAAL as a % of Covered Payroll (3/5) |
|--|--|--|---|---|------------------------------------|---|
| 2003 | \$ 15,107,484 | \$ 9,888,040 | \$ (5,219,444) | 152.8% | \$ 2,910,805 | -179.3% |
| 2004 | 15,678,721 | 10,303,544 | (5,375,177) | 152.2% | 2,891,747 | -185.9% |
| 2005 | 16,030,936 | 10,301,827 | (5,729,109) | 155.6% | 2,761,341 | -207.5% |
| 2006 | 16,815,491 | 11,271,094 | (5,544,397) | 149.2% | 2,250,084 | -246.4% |
| 2007 | 17,454,703 | 11,905,095 | (5,549,608) | 146.6% | 2,501,910 | -221.8% |
| 2008 | 17,533,524 | 11,975,264 | (5,558,260) | 146.4% | 2,672,935 | -207.9% |

SCHEDULE OF EMPLOYER CONTRIBUTIONS

| Year Ended June 30, | Annual Required Contribution | Annual Actual Contribution | Percentage Contributed |
|------------------------------------|---|---|-----------------------------------|
| 2004 | \$ 6,578 | \$ 6,578 | 100.00% |
| 2005 | 14,448 | 14,448 | 100.00% |
| 2006 | 33,106 | 33,106 | 100.00% |
| 2007 | 35,247 | 35,247 | 100.00% |
| 2008 | 8,187 | 8,187 | 100.00% |
| 2009 | - | - | 100.00% |

CITY OF YPSILANTI, MICHIGAN
Other Postemployment Health Care Benefits

Required Supplementary Information

SCHEDULE OF FUNDING PROGRESS

| Actuarial Valuation Date December 31, | (1) Actuarial Value of Assets | (2) Actuarial Accrued Liability (AAL) Entry Age | (3) Unfunded AAL (UAAL) (2-1) | (4) Funded Ratio (1/2) | (5) Covered Payroll | (6) UAAL as a % of Covered Payroll (3/5) |
|--|--|--|--|---|------------------------------------|---|
| 2008 | \$ 2,114,151 | \$ 12,430,962 | \$ 10,316,811 | 17.0% | \$ 6,028,949 | 171.1% |

SCHEDULE OF EMPLOYER CONTRIBUTIONS

| Year Ended June 30, | Annual Required Contribution | Annual Actual Contribution | Percentage Contributed |
|------------------------------------|---|---|-----------------------------------|
| 2009 | \$ 1,192,998 | \$ 1,483,485 | 124.35% |

**COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**

CITY OF YPSILANTI, MICHIGAN
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009

| | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Totals</u> |
|---|----------------------------|----------------------------|-----------------------------|----------------------------|
| <u>ASSETS</u> | | | | |
| Cash and cash equivalents | \$ 1,318,756 | \$ 1,890,795 | \$ 2,637,104 | \$ 5,846,655 |
| Investments | - | - | - | - |
| Accounts receivable | 3,513 | - | 944 | 4,457 |
| Land held for resale | - | - | 2,700,608 | 2,700,608 |
| Special assessments receivable | - | - | 5,045 | 5,045 |
| Due from other governments | 68,576 | - | 155,450 | 224,026 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| <u>TOTAL ASSETS</u> | <u>\$ 1,390,845</u> | <u>\$ 1,890,795</u> | <u>\$ 5,499,151</u> | <u>\$ 8,780,791</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 97,363 | \$ - | \$ 34,116 | \$ 131,479 |
| Accrued liabilities | 16,440 | - | - | 16,440 |
| Due to other funds | - | 110,412 | 213 | 110,625 |
| Due to other governments | - | - | 69,705 | 69,705 |
| Tax refunds payable | 5,902 | 7,179 | - | 13,081 |
| Deferred revenue | - | - | 5,045 | 5,045 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | 119,705 | 117,591 | 109,079 | 346,375 |
| Fund Balances | | | | |
| Reserved for: | | | | |
| Land held for resale | - | - | 2,700,608 | 2,700,608 |
| Debt service | - | - | 1,864,866 | 1,864,866 |
| Unreserved: | | | | |
| Designated for subsequent year | 320,267 | - | - | 320,267 |
| Undesignated | 950,873 | 1,773,204 | 824,598 | 3,548,675 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total fund balances | 1,271,140 | 1,773,204 | 5,390,072 | 8,434,416 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| <u>TOTAL LIABILITIES AND FUND BALANCES</u> | <u>\$ 1,390,845</u> | <u>\$ 1,890,795</u> | <u>\$ 5,499,151</u> | <u>\$ 8,780,791</u> |

CITY OF YPSILANTI, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2009

| | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Totals</u> |
|---------------------------------------|----------------------------|----------------------------|-----------------------------|----------------------------|
| Revenues | | | | |
| Taxes and special assessments | \$ 1,051,315 | \$ 1,459,542 | \$ 9,074 | \$ 2,519,931 |
| Licenses and permits | 2,690 | - | 55,819 | 58,509 |
| Intergovernmental | 402,474 | 1,295,582 | 1,644,420 | 3,342,476 |
| Investment earnings | 23,872 | 1,390 | 26,578 | 51,840 |
| Other revenues | 144,424 | 57,135 | 35,270 | 236,829 |
| | <u>1,624,775</u> | <u>2,813,649</u> | <u>1,771,161</u> | <u>6,209,585</u> |
| Expenditures | | | | |
| General government | - | - | 123,125 | 123,125 |
| Public safety | 62,656 | - | 111,804 | 174,460 |
| Public works | - | - | 600,712 | 600,712 |
| Refuse collection | 1,184,977 | - | - | 1,184,977 |
| Highways, streets and bridges | 696,158 | - | - | 696,158 |
| Culture and recreation | - | - | 76,824 | 76,824 |
| Community development | 146,167 | - | - | 146,167 |
| Debt service: | | | | |
| Principal | - | 1,810,000 | 764,579 | 2,574,579 |
| Interest and fiscal charges | - | 923,082 | 1,769,810 | 2,692,892 |
| | <u>2,089,958</u> | <u>2,733,082</u> | <u>3,446,854</u> | <u>8,269,894</u> |
| Revenues over (under) expenditures | <u>(465,183)</u> | <u>80,567</u> | <u>(1,675,693)</u> | <u>(2,060,309)</u> |
| Other financing sources (uses) | | | | |
| Issuance of bonds | - | - | 503,958 | 503,958 |
| Transfers in | 394,340 | 36,930 | 703,709 | 1,134,979 |
| Transfers out | (128,299) | - | - | (128,299) |
| | <u>266,041</u> | <u>36,930</u> | <u>1,207,667</u> | <u>1,510,638</u> |
| Net changes in fund balances | (199,142) | 117,497 | (468,026) | (549,671) |
| Fund balances, beginning of year | <u>1,470,282</u> | <u>1,655,707</u> | <u>5,858,098</u> | <u>8,984,087</u> |
| Fund balances, end of year | <u><u>\$ 1,271,140</u></u> | <u><u>\$ 1,773,204</u></u> | <u><u>\$ 5,390,072</u></u> | <u><u>\$ 8,434,416</u></u> |

CITY OF YPSILANTI, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2009

| | <u>Local Streets</u> | <u>Garbage and Rubbish Collection</u> | <u>Community Development Block Grant</u> | <u>Police</u> | <u>Total</u> |
|---|--------------------------|---|--|--------------------------|----------------------------|
| <u>ASSETS</u> | | | | | |
| Cash and cash equivalents | \$ 256,708 | \$ 69,456 | \$ 32,462 | \$ 960,130 | \$ 1,318,756 |
| Investments | - | - | - | - | - |
| Accounts receivable | 3,513 | - | - | - | 3,513 |
| Due from other governments | 68,576 | - | - | - | 68,576 |
| | <u>68,576</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>68,576</u> |
| <u>TOTAL ASSETS</u> | <u>\$ 328,797</u> | <u>\$ 69,456</u> | <u>\$ 32,462</u> | <u>\$ 960,130</u> | <u>\$ 1,390,845</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ 6,335 | \$ 58,297 | \$ 24,335 | \$ 8,396 | \$ 97,363 |
| Accrued liabilities | 3,329 | 5,257 | - | 7,854 | 16,440 |
| Tax refunds payable | - | 5,902 | - | - | 5,902 |
| | <u>-</u> | <u>5,902</u> | <u>-</u> | <u>-</u> | <u>5,902</u> |
| Total liabilities | <u>9,664</u> | <u>69,456</u> | <u>24,335</u> | <u>16,250</u> | <u>119,705</u> |
| Fund balances | | | | | |
| Unreserved: | | | | | |
| Designated for subsequent year | 247,317 | - | - | 72,950 | 320,267 |
| Undesignated | 71,816 | - | 8,127 | 870,930 | 950,873 |
| | <u>71,816</u> | <u>-</u> | <u>8,127</u> | <u>870,930</u> | <u>950,873</u> |
| Total fund balances | <u>319,133</u> | <u>-</u> | <u>8,127</u> | <u>943,880</u> | <u>1,271,140</u> |
| <u>TOTAL LIABILITIES AND FUND BALANCES</u> | <u>\$ 328,797</u> | <u>\$ 69,456</u> | <u>\$ 32,462</u> | <u>\$ 960,130</u> | <u>\$ 1,390,845</u> |

CITY OF YPSILANTI, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2009

| | <u>Local Streets</u> | <u>Garbage and Rubbish Collection</u> | <u>Community Development Block Grant</u> | <u>Police</u> | <u>Total</u> |
|---------------------------------------|----------------------|---|--|-------------------|---------------------|
| Revenues | | | | | |
| Taxes and special assessments | \$ - | \$ 1,051,315 | \$ - | \$ - | \$ 1,051,315 |
| Licenses and permits | 2,690 | - | - | - | 2,690 |
| Intergovernmental | 278,654 | - | - | 123,820 | 402,474 |
| Investment earnings | 2,472 | 6,002 | 100 | 15,298 | 23,872 |
| Other revenues | 7,744 | 61,646 | 1,200 | 73,834 | 144,424 |
| | <u>291,560</u> | <u>1,118,963</u> | <u>1,300</u> | <u>212,952</u> | <u>1,624,775</u> |
| Expenditures | | | | | |
| Public safety | - | - | - | 62,656 | 62,656 |
| Refuse collection | - | 1,184,977 | - | - | 1,184,977 |
| Highways, streets and bridges | 696,158 | - | - | - | 696,158 |
| Community development | - | - | 146,167 | - | 146,167 |
| | <u>696,158</u> | <u>1,184,977</u> | <u>146,167</u> | <u>62,656</u> | <u>2,089,958</u> |
| Revenues over (under) expenditures | <u>(404,598)</u> | <u>(66,014)</u> | <u>(144,867)</u> | <u>150,296</u> | <u>(465,183)</u> |
| Other financing sources (uses) | | | | | |
| Transfers in | 216,092 | 32,081 | 146,167 | - | 394,340 |
| Transfers out | - | - | - | (128,299) | (128,299) |
| | <u>216,092</u> | <u>32,081</u> | <u>146,167</u> | <u>(128,299)</u> | <u>266,041</u> |
| Net changes in fund balances | (188,506) | (33,933) | 1,300 | 21,997 | (199,142) |
| Fund balances, beginning of year | <u>507,639</u> | <u>33,933</u> | <u>6,827</u> | <u>921,883</u> | <u>1,470,282</u> |
| Fund balances, end of year | <u>\$ 319,133</u> | <u>\$ -</u> | <u>\$ 8,127</u> | <u>\$ 943,880</u> | <u>\$ 1,271,140</u> |

CITY OF YPSILANTI, MICHIGAN
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Local Streets Fund
For the Year Ended June 30, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Actual</u> |
|---------------------------------------|--------------------------|--------------------------|--------------------------|----------------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Over (Under)</u> |
| | | | | <u>Final Budget</u> |
| Revenues | | | | |
| Licenses and permits | \$ 20,000 | \$ 2,800 | \$ 2,690 | \$ (110) |
| Intergovernmental - state | 292,211 | 277,600 | 278,654 | 1,054 |
| Investment earnings | 6,400 | 3,000 | 2,472 | (528) |
| Other revenues | 247,317 | 280,970 | 7,744 | (273,226) |
| | <u>565,928</u> | <u>564,370</u> | <u>291,560</u> | <u>(272,810)</u> |
| Expenditures | | | | |
| Public works: | | | | |
| Street construction | 330,000 | 320,893 | 320,023 | (870) |
| Routine maintenance | 318,910 | 294,490 | 228,911 | (65,579) |
| Traffic services | 48,370 | 32,980 | 27,836 | (5,144) |
| Winter maintenance | 77,603 | 137,260 | 100,942 | (36,318) |
| Administration | 38,545 | 26,247 | 18,446 | (7,801) |
| | <u>813,428</u> | <u>811,870</u> | <u>696,158</u> | <u>(115,712)</u> |
| Revenues (under) expenditures | <u>(247,500)</u> | <u>(247,500)</u> | <u>(404,598)</u> | <u>(157,098)</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 250,000 | 250,000 | 216,092 | (33,908) |
| Transfers out | (2,500) | (2,500) | - | 2,500 |
| | <u>247,500</u> | <u>247,500</u> | <u>216,092</u> | <u>(31,408)</u> |
| Net changes in fund balance | - | - | (188,506) | (188,506) |
| Fund balance, beginning of year | <u>507,639</u> | <u>507,639</u> | <u>507,639</u> | <u>-</u> |
| Fund balance, end of year | <u><u>\$ 507,639</u></u> | <u><u>\$ 507,639</u></u> | <u><u>\$ 319,133</u></u> | <u><u>\$ (188,506)</u></u> |

CITY OF YPSILANTI, MICHIGAN
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Garbage and Rubbish Fund
For the Year Ended June 30, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Actual</u> |
|----------------------------------|-------------------------|-------------------------|--------------------|---------------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Over (Under)</u> |
| Revenues | | | | |
| Taxes and special assessments | \$ 997,177 | \$ 1,062,161 | \$ 1,051,315 | \$ (10,846) |
| Investment earnings | 3,000 | 6,000 | 6,002 | 2 |
| Other revenues | 12,000 | 61,149 | 61,646 | 497 |
| | <u>1,012,177</u> | <u>1,129,310</u> | <u>1,118,963</u> | <u>(10,347)</u> |
| Expenditures | | | | |
| Refuse collection | <u>1,243,570</u> | <u>1,234,942</u> | <u>1,184,977</u> | <u>(49,965)</u> |
| Revenues (under) expenditures | (231,393) | (105,632) | (66,014) | 39,618 |
| Other financing sources | | | | |
| Transfers in | <u>231,393</u> | <u>105,632</u> | <u>32,081</u> | <u>(73,551)</u> |
| Net changes in fund balance | - | - | (33,933) | (33,933) |
| Fund balance, beginning of year | <u>33,933</u> | <u>33,933</u> | <u>33,933</u> | <u>-</u> |
| Fund balance, end of year | <u><u>\$ 33,933</u></u> | <u><u>\$ 33,933</u></u> | <u><u>\$ -</u></u> | <u><u>\$ (33,933)</u></u> |

CITY OF YPSILANTI, MICHIGAN
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Community Development Block Grant Fund
For the Year Ended June 30, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Actual</u> |
|----------------------------------|-------------------------|-----------------|-----------------|---------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Over (Under)</u> |
| Revenues | | | | |
| Investment earnings | \$ 20 | \$ 100 | \$ 100 | \$ - |
| Other revenues | 1,250 | 1,200 | 1,200 | - |
| Total revenues | 1,270 | 1,300 | 1,300 | - |
| Expenditures | | | | |
| Community development | 50,000 | 151,200 | 146,167 | (5,033) |
| Revenues (under) expenditures | (48,730) | (149,900) | (144,867) | 5,033 |
| Other financing sources | | | | |
| Transfers in | 50,000 | 150,000 | 146,167 | (3,833) |
| Net changes in fund balance | 1,270 | 100 | 1,300 | 1,200 |
| Fund balance, beginning of year | 6,827 | 6,827 | 6,827 | - |
| Fund balance, end of year | <u>\$ 8,097</u> | <u>\$ 6,927</u> | <u>\$ 8,127</u> | <u>\$ 1,200</u> |

CITY OF YPSILANTI, MICHIGAN
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Police Fund
For the Year Ended June 30, 2009

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Actual</u> |
|----------------------------------|-------------------------|-------------------|-------------------|---------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Over (Under)</u> |
| | | | | <u>Final Budget</u> |
| Revenues | | | | |
| Intergovernmental | \$ 65,000 | \$ 118,195 | \$ 123,820 | \$ 5,625 |
| Investment earnings | 10,080 | 15,000 | 15,298 | 298 |
| Other revenues | 80,450 | 91,187 | 73,834 | (17,353) |
| | <u>155,530</u> | <u>224,382</u> | <u>212,952</u> | <u>(11,430)</u> |
| | | | | |
| Expenditures | | | | |
| Public safety | 47,458 | 73,458 | 62,656 | (10,802) |
| | | | | |
| Revenues over expenditures | 108,072 | 150,924 | 150,296 | (628) |
| | | | | |
| Other financing uses | | | | |
| Transfers out | (108,072) | (146,092) | (128,299) | 17,793 |
| | | | | |
| Net changes in fund balance | - | 4,832 | 21,997 | 17,165 |
| | | | | |
| Fund balance, beginning of year | 921,883 | 921,883 | 921,883 | - |
| | | | | |
| Fund balance, end of year | <u>\$ 921,883</u> | <u>\$ 926,715</u> | <u>\$ 943,880</u> | <u>\$ 17,165</u> |

CITY OF YPSILANTI, MICHIGAN
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2009

| | <u>2001 General Obligation Roads</u> | <u>2001 Revenue Bonds</u> | <u>2002-A Revenue Bonds</u> | <u>2002 General Obligation Bonds</u> | <u>2002-B Revenue Bonds</u> | <u>2002-C Revenue Bonds</u> | <u>Water Supply and Sewer Refunding</u> | <u>2003 Unlimited Tax Bonds</u> | <u>Total</u> |
|---|--|-----------------------------------|-------------------------------------|--|-------------------------------------|-------------------------------------|---|---|---------------------|
| <u>ASSETS</u> | | | | | | | | | |
| Cash and cash equivalents | \$ 73,821 | \$ 381,117 | \$ 434,594 | \$ - | \$ 44,395 | \$ 602,758 | \$ 281,466 | \$ 72,644 | \$ 1,890,795 |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | | | | | | |
| Liabilities | | | | | | | | | |
| Due to other funds | \$ 48,377 | \$ 138 | \$ 138 | \$ - | \$ - | \$ 124 | \$ - | \$ 61,635 | \$ 110,412 |
| Tax refunds payable | 3,548 | - | - | - | - | - | - | 3,631 | 7,179 |
| Total liabilities | 51,925 | 138 | 138 | - | - | 124 | - | 65,266 | 117,591 |
| Fund balances | | | | | | | | | |
| Unreserved, undesignated | 21,896 | 380,979 | 434,456 | - | 44,395 | 602,634 | 281,466 | 7,378 | 1,773,204 |
| <u>TOTAL LIABILITIES AND FUND BALANCES</u> | <u>\$ 73,821</u> | <u>\$ 381,117</u> | <u>\$ 434,594</u> | <u>\$ -</u> | <u>\$ 44,395</u> | <u>\$ 602,758</u> | <u>\$ 281,466</u> | <u>\$ 72,644</u> | <u>\$ 1,890,795</u> |

CITY OF YPSILANTI, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2009

| | 2001 General Obligation Roads | 2001 Revenue Bonds | 2002-A Revenue Bonds | 2002 General Obligation Bonds | 2002-B Revenue Bonds | 2002-C Revenue Bonds | Water Supply and Sewer Refunding | 2003 Unlimited Tax Bonds | Total |
|---|--|-----------------------------------|-------------------------------------|--|-------------------------------------|-------------------------------------|---|---|---------------------|
| Revenues | | | | | | | | | |
| Taxes and special assessments | \$ 724,112 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 735,430 | \$ 1,459,542 |
| Intergovernmental | - | 87,671 | 107,575 | - | 34,188 | 420,575 | 645,573 | - | 1,295,582 |
| Investment earnings | 727 | - | - | - | - | 1 | - | 662 | 1,390 |
| Other revenue | 28,249 | - | - | - | - | - | - | 28,886 | 57,135 |
| Total revenues | 753,088 | 87,671 | 107,575 | - | 34,188 | 420,576 | 645,573 | 764,978 | 2,813,649 |
| Expenditures | | | | | | | | | |
| Debt service: | | | | | | | | | |
| Principal | 470,000 | 35,000 | 45,000 | 25,000 | 25,000 | 230,000 | 525,000 | 455,000 | 1,810,000 |
| Interest and fiscal charges | 224,625 | 52,809 | 62,713 | 11,930 | 9,188 | 190,700 | 120,573 | 250,544 | 923,082 |
| Total expenditures | 694,625 | 87,809 | 107,713 | 36,930 | 34,188 | 420,700 | 645,573 | 705,544 | 2,733,082 |
| Revenues over (under) expenditures | 58,463 | (138) | (138) | (36,930) | - | (124) | - | 59,434 | 80,567 |
| Other financing sources | | | | | | | | | |
| Transfers in | - | - | - | 36,930 | - | - | - | - | 36,930 |
| Net changes in fund balances | 58,463 | (138) | (138) | - | - | (124) | - | 59,434 | 117,497 |
| Fund balances (deficits), beginning of year | (36,567) | 381,117 | 434,594 | - | 44,395 | 602,758 | 281,466 | (52,056) | 1,655,707 |
| Fund balances, end of year | \$ 21,896 | \$ 380,979 | \$ 434,456 | \$ - | \$ 44,395 | \$ 602,634 | \$ 281,466 | \$ 7,378 | \$ 1,773,204 |

CITY OF YPSILANTI, MICHIGAN
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2009

| | <u>Capital Improvement Reserve</u> | <u>Sidewalk Improvement</u> | <u>2002 General Obligation Capital Improvements</u> | <u>2003-D Water Supply and Sewer</u> | <u>2004-A Water</u> | <u>2004-B Water and Sewer</u> | <u>2003 General Obligation Improvement</u> |
|---|--|---------------------------------|---|--|--------------------------|---------------------------------------|--|
| <u>ASSETS</u> | | | | | | | |
| Cash and cash equivalents | \$ 438,457 | \$ 247,188 | \$ - | \$ 338,926 | \$ 162,583 | \$ 431,590 | \$ - |
| Accounts receivable | - | - | - | - | - | - | - |
| Land held for resale | - | - | 44,520 | - | - | - | 84,445 |
| Special assessments receivable | - | 5,045 | - | - | - | - | - |
| Due from other governments | 35,000 | 51,851 | - | - | - | - | - |
| <u>TOTAL ASSETS</u> | <u>\$ 473,457</u> | <u>\$ 304,084</u> | <u>\$ 44,520</u> | <u>\$ 338,926</u> | <u>\$ 162,583</u> | <u>\$ 431,590</u> | <u>\$ 84,445</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | | | | |
| Liabilities | | | | | | | |
| Accounts payable | \$ 6,352 | \$ 28,870 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Due to other funds | - | - | - | - | - | - | - |
| Due to other governments | - | - | - | - | - | - | - |
| Deferred revenue | - | 5,045 | - | - | - | - | - |
| | <u>6,352</u> | <u>33,915</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances (deficit) | | | | | | | |
| Reserved for: | | | | | | | |
| Land held for resale | - | - | 44,520 | - | - | - | 84,445 |
| Debt service | - | - | - | 338,926 | 162,583 | 345,272 | - |
| Unreserved, undesignated | 467,105 | 270,169 | - | - | - | 86,318 | - |
| Total fund balances | <u>467,105</u> | <u>270,169</u> | <u>44,520</u> | <u>338,926</u> | <u>162,583</u> | <u>431,590</u> | <u>84,445</u> |
| <u>TOTAL LIABILITIES AND FUND BALANCES</u> | <u>\$ 473,457</u> | <u>\$ 304,084</u> | <u>\$ 44,520</u> | <u>\$ 338,926</u> | <u>\$ 162,583</u> | <u>\$ 431,590</u> | <u>\$ 84,445</u> |

| <u>2003-B Capital Improvement</u> | <u>2003-B Water and Sewer</u> | <u>2003-C Water and Sewer</u> | <u>2004-A General Obligation</u> | <u>2004-B General Obligation</u> | <u>2006 General Obligation</u> | <u>2006 Water and Sewer Refunding</u> | <u>2007 Water and Sewer DWRf</u> | <u>2008 Water and Sewer DWRf</u> | <u>2009 Water and Sewer DWRf</u> | <u>Totals</u> |
|---|---------------------------------------|---------------------------------------|--|--|--|---|--|--|--|---------------------|
| \$ - | \$ 87,162 | \$ 50,199 | \$ - | \$ - | \$ 880,999 | \$ - | \$ - | \$ - | \$ - | \$ 2,637,104 |
| - | - | - | - | - | 944 | - | - | - | - | 944 |
| 1,560,116 | - | - | 80,416 | 931,111 | - | - | - | - | - | 2,700,608 |
| - | - | - | - | - | - | - | - | - | - | 5,045 |
| - | - | - | - | - | - | - | - | - | 68,599 | 155,450 |
| <u>\$ 1,560,116</u> | <u>\$ 87,162</u> | <u>\$ 50,199</u> | <u>\$ 80,416</u> | <u>\$ 931,111</u> | <u>\$ 881,943</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 68,599</u> | <u>\$ 5,499,151</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (1,106) | \$ - | \$ - | \$ 34,116 |
| - | 113 | - | - | - | - | - | - | - | 100 | 213 |
| - | - | 1,106 | - | - | - | - | - | - | 68,599 | 69,705 |
| - | - | - | - | - | - | - | - | - | - | 5,045 |
| - | 113 | 1,106 | - | - | - | - | (1,106) | - | 68,699 | 109,079 |
| 1,560,116 | - | - | 80,416 | 931,111 | - | - | - | - | - | 2,700,608 |
| - | 87,049 | 49,093 | - | - | 881,943 | - | - | - | - | 1,864,866 |
| - | - | - | - | - | - | - | 1,106 | - | (100) | 824,598 |
| <u>1,560,116</u> | <u>87,049</u> | <u>49,093</u> | <u>80,416</u> | <u>931,111</u> | <u>881,943</u> | <u>-</u> | <u>1,106</u> | <u>-</u> | <u>(100)</u> | <u>5,390,072</u> |
| <u>\$ 1,560,116</u> | <u>\$ 87,162</u> | <u>\$ 50,199</u> | <u>\$ 80,416</u> | <u>\$ 931,111</u> | <u>\$ 881,943</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 68,599</u> | <u>\$ 5,499,151</u> |

CITY OF YPSILANTI, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2009

| | Capital Improvement Reserve | Sidewalk Improvement | 2002 General Obligation Capital Improvements | 2003-D Water Supply and Sewer | 2004-A Water | 2004-B Water and Sewer | 2003 General Obligation Improvement |
|---|--|---------------------------------|---|--|-------------------------|---------------------------------------|--|
| Revenues | | | | | | | |
| Taxes and special assessments | \$ - | \$ 9,074 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | 55,819 | - | - | - | - | - |
| Intergovernmental | 35,000 | 51,851 | - | 338,125 | 161,848 | 476,227 | - |
| Investment earnings | 3,446 | 3,704 | - | - | - | - | - |
| Other revenues | 35,270 | - | - | - | - | - | - |
| Total revenues | <u>73,716</u> | <u>120,448</u> | <u>-</u> | <u>338,125</u> | <u>161,848</u> | <u>476,227</u> | <u>-</u> |
| Expenditures | | | | | | | |
| General government | 123,125 | - | - | - | - | - | - |
| Public safety | 111,804 | - | - | - | - | - | - |
| Public works | - | 136,981 | - | - | - | - | - |
| Culture and recreation | 76,824 | - | - | - | - | - | - |
| Debt service: | | | | | | | |
| Principal | 99,579 | - | - | 230,000 | 60,000 | 275,000 | - |
| Interest and fiscal charges | 9,786 | - | - | 108,125 | 101,848 | 114,909 | - |
| Total expenditures | <u>421,118</u> | <u>136,981</u> | <u>-</u> | <u>338,125</u> | <u>161,848</u> | <u>389,909</u> | <u>-</u> |
| Revenues over (under) expenditures | <u>(347,402)</u> | <u>(16,533)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>86,318</u> | <u>-</u> |
| Other financing sources | | | | | | | |
| Issuance of bonds | - | - | - | - | - | - | - |
| Transfers in | 403,709 | - | - | - | - | - | - |
| Total other financing sources | <u>403,709</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net changes in fund balances | 56,307 | (16,533) | - | - | - | 86,318 | - |
| Fund balances (deficit), beginning of year | 410,798 | 286,702 | 44,520 | 338,926 | 162,583 | 345,272 | 84,445 |
| Fund balances (deficit), end of year | <u>\$ 467,105</u> | <u>\$ 270,169</u> | <u>\$ 44,520</u> | <u>\$ 338,926</u> | <u>\$ 162,583</u> | <u>\$ 431,590</u> | <u>\$ 84,445</u> |

| 2003-B Capital Improvement | 2003-B Water and Sewer | 2003-C Water and Sewer | 2004-A General Obligation | 2004-B General Obligation | 2006 General Obligation | 2006 Water and Sewer Refunding | 2007 Water and Sewer DWRf | 2008 Water and Sewer DWRf | 2009 Water and Sewer DWRf | Totals |
|---|---------------------------------------|---------------------------------------|--|--|--|---|--|--|--|---------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 9,074 |
| - | - | - | - | - | - | - | - | - | - | 55,819 |
| - | 84,425 | 51,063 | - | - | - | 424,475 | 16,104 | 5,302 | - | 1,644,420 |
| - | - | 1,105 | - | - | 18,323 | - | - | - | - | 26,578 |
| - | - | - | - | - | - | - | - | - | - | 35,270 |
| - | 84,425 | 52,168 | - | - | 18,323 | 424,475 | 16,104 | 5,302 | - | 1,771,161 |
| - | - | - | - | - | - | - | - | - | - | 123,125 |
| - | - | - | - | - | - | - | - | - | - | 111,804 |
| - | - | 1,105 | - | - | - | - | - | 394,027 | 68,599 | 600,712 |
| - | - | - | - | - | - | - | - | - | - | 76,824 |
| - | 30,000 | 35,000 | - | - | - | 25,000 | 10,000 | - | - | 764,579 |
| - | 54,538 | 16,063 | - | - | 953,560 | 399,475 | 6,104 | 5,302 | 100 | 1,769,810 |
| - | 84,538 | 52,168 | - | - | 953,560 | 424,475 | 16,104 | 399,329 | 68,699 | 3,446,854 |
| - | (113) | - | - | - | (935,237) | - | - | (394,027) | (68,699) | (1,675,693) |
| - | - | - | - | - | - | - | 1,106 | 434,253 | 68,599 | 503,958 |
| - | - | - | - | - | 300,000 | - | - | - | - | 703,709 |
| - | - | - | - | - | 300,000 | - | 1,106 | 434,253 | 68,599 | 1,207,667 |
| - | (113) | - | - | - | (635,237) | - | 1,106 | 40,226 | (100) | (468,026) |
| 1,560,116 | 87,162 | 49,093 | 80,416 | 931,111 | 1,517,180 | - | - | (40,226) | - | 5,858,098 |
| <u>\$1,560,116</u> | <u>\$ 87,049</u> | <u>\$ 49,093</u> | <u>\$ 80,416</u> | <u>\$931,111</u> | <u>\$ 881,943</u> | <u>\$ -</u> | <u>\$ 1,106</u> | <u>\$ -</u> | <u>\$ (100)</u> | <u>\$ 5,390,072</u> |

CITY OF YPSILANTI, MICHIGAN
Statement of Net Assets
Internal Service Funds
June 30, 2009

| | <u>Motor Pool</u> | <u>Workers'</u> <u>Compensation</u> | <u>Retiree</u> <u>Health Care</u> <u>Benefits</u> | <u>Total</u> |
|--|---------------------|--|---|---------------------|
| Assets | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 3,782,643 | \$ 1,049,491 | \$ 934,930 | \$ 5,767,064 |
| Investments | 15,217 | 261,566 | - | 276,783 |
| Accounts receivable | 2,059 | - | - | 2,059 |
| Inventory | 25,011 | - | - | 25,011 |
| Prepaid items | - | 16,165 | 35,283 | 51,448 |
| | <u>3,824,930</u> | <u>1,327,222</u> | <u>970,213</u> | <u>6,122,365</u> |
| Total current assets | | | | |
| Noncurrent assets - capital assets, net | <u>1,967,211</u> | <u>-</u> | <u>-</u> | <u>1,967,211</u> |
| Total assets | <u>5,792,141</u> | <u>1,327,222</u> | <u>970,213</u> | <u>8,089,576</u> |
| Liabilities | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | 93,113 | 8,170 | 670,987 | 772,270 |
| Current portion of claims payable | - | 255,600 | - | 255,600 |
| | <u>93,113</u> | <u>263,770</u> | <u>670,987</u> | <u>1,027,870</u> |
| Total current liabilities | | | | |
| Noncurrent liabilities - claims payable, net | <u>-</u> | <u>383,400</u> | <u>-</u> | <u>383,400</u> |
| Total liabilities | <u>93,113</u> | <u>647,170</u> | <u>670,987</u> | <u>1,411,270</u> |
| Net Assets | | | | |
| Invested in capital assets | 1,967,211 | - | - | 1,967,211 |
| Unrestricted | <u>3,731,817</u> | <u>680,052</u> | <u>299,226</u> | <u>4,711,095</u> |
| Total net assets | <u>\$ 5,699,028</u> | <u>\$ 680,052</u> | <u>\$ 299,226</u> | <u>\$ 6,678,306</u> |

CITY OF YPSILANTI, MICHIGAN
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2009

| | <u>Motor Pool</u> | <u>Workers'</u> <u>Compensation</u> | <u>Retiree</u> <u>Health Care</u> <u>Benefits</u> | <u>Total</u> |
|--------------------------------|----------------------------|--|---|----------------------------|
| Operating revenues | | | | |
| Charges for services | \$ 994,322 | \$ 192,520 | \$ 1,580,936 | \$ 2,767,778 |
| Operating expenses | | | | |
| Salaries, taxes and benefits | 179,596 | 21,465 | - | 201,061 |
| Gas, oil and fuel | 116,295 | - | - | 116,295 |
| Depreciation | 475,728 | - | - | 475,728 |
| Operation and maintenance | 157,010 | 6,678 | - | 163,688 |
| Contractual services and fees | 131,616 | 52,221 | 16,000 | 199,837 |
| Insurance and other | 67,854 | - | - | 67,854 |
| Benefits and claims | - | 129,978 | 1,483,485 | 1,613,463 |
| Total operating expenses | <u>1,128,099</u> | <u>210,342</u> | <u>1,499,485</u> | <u>2,837,926</u> |
| Operating income (loss) | <u>(133,777)</u> | <u>(17,822)</u> | <u>81,451</u> | <u>(70,148)</u> |
| Nonoperating revenues | | | | |
| Investment income | 339,427 | 192,982 | 3,664 | 536,073 |
| Gain on sale of equipment | 28,846 | - | - | 28,846 |
| Total nonoperating revenues | <u>368,273</u> | <u>192,982</u> | <u>3,664</u> | <u>564,919</u> |
| Income before transfers | 234,496 | 175,160 | 85,115 | 494,771 |
| Transfers out | <u>(32,081)</u> | <u>-</u> | <u>-</u> | <u>(32,081)</u> |
| Change in net assets | 202,415 | 175,160 | 85,115 | 462,690 |
| Net assets, beginning of year | <u>5,496,613</u> | <u>504,892</u> | <u>214,111</u> | <u>6,215,616</u> |
| Net assets, end of year | <u><u>\$ 5,699,028</u></u> | <u><u>\$ 680,052</u></u> | <u><u>\$ 299,226</u></u> | <u><u>\$ 6,678,306</u></u> |

CITY OF YPSILANTI, MICHIGAN
Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2009

| | <u>Motor Pool</u> | <u>Workers' Compensation</u> | <u>Retiree Health Care Benefits</u> | <u>Total</u> |
|--|---------------------|----------------------------------|---|---------------------|
| Cash flows from operating activities | | | | |
| Cash received from interfund services | \$ 994,791 | \$ 192,627 | \$ 1,580,936 | \$ 2,768,354 |
| Cash payments to employees | (179,596) | (21,465) | - | (201,061) |
| Cash payments for claims | - | (52,978) | (970,099) | (1,023,077) |
| Cash payments to suppliers for goods and services | (388,415) | (73,722) | (16,717) | (478,854) |
| Net cash provided by operating activities | <u>426,780</u> | <u>44,462</u> | <u>594,120</u> | <u>1,065,362</u> |
| Cash flows from non-capital financing activities | | | | |
| Transfer to other funds | (32,081) | - | - | (32,081) |
| Cash flows from capital and related financing activities | | | | |
| Purchase of capital assets | (315,822) | - | - | (315,822) |
| Proceeds from sale of capital assets | 28,846 | - | - | 28,846 |
| Net cash used by capital and related financing activities | <u>(286,976)</u> | <u>-</u> | <u>-</u> | <u>(286,976)</u> |
| Cash flows from investing activities | | | | |
| Proceeds from matured investments | 788,825 | 386,185 | - | 1,175,010 |
| Investment income | 339,427 | 192,982 | 3,664 | 536,073 |
| Net cash provided by investing activities | <u>1,128,252</u> | <u>579,167</u> | <u>3,664</u> | <u>1,711,083</u> |
| Net increase in cash and cash equivalents | 1,235,975 | 623,629 | 597,784 | 2,457,388 |
| Cash and cash equivalents, beginning of year | 2,546,668 | 425,862 | 337,146 | 3,309,676 |
| Cash and cash equivalents, end of year | <u>\$ 3,782,643</u> | <u>\$ 1,049,491</u> | <u>\$ 934,930</u> | <u>\$ 5,767,064</u> |
| Reconciliation of operating income (loss) to net cash provided by operating activities | | | | |
| Operating income (loss) | \$ (133,777) | \$ (17,822) | \$ 81,451 | \$ (70,148) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | | |
| Depreciation | 475,728 | - | - | 475,728 |
| Changes in assets and liabilities: | | | | |
| Accounts receivable | 469 | 107 | - | 576 |
| Inventory | 17,418 | - | - | 17,418 |
| Prepaid items | - | (16,165) | (717) | (16,882) |
| Accounts payable and accrued liabilities | 82,070 | 1,342 | 513,386 | 596,798 |
| Due to other funds | (15,128) | - | - | (15,128) |
| Claims payable | - | 77,000 | - | 77,000 |
| Net cash provided by operating activities | <u>\$ 426,780</u> | <u>\$ 44,462</u> | <u>\$ 594,120</u> | <u>\$ 1,065,362</u> |

CITY OF YPSILANTI, MICHIGAN
Statement of Changes in Assets and Liabilities
Current Tax Agency Fund
For the Year Ended June 30, 2009

| | Balance June 30, 2008 | Additions | Deletions | Balance June 30, 2009 |
|---------------------------|--------------------------------------|------------------|------------------|--------------------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$ 156,276 | \$ 25,487,980 | \$ 25,544,256 | \$ 100,000 |
| Liabilities | | | | |
| Undistributed receipts | \$ 156,276 | \$ 25,487,980 | \$ 25,544,256 | \$ 100,000 |

CITY OF YPSILANTI, MICHIGAN
Statement of Net Assets and
Governmental Funds Balance Sheet
Downtown Development Authority Component Unit
June 30, 2009

| | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Total</u> | <u>Adjustments</u> | <u>Statement of Net Assets</u> |
|---|-------------------------------------|--------------------------------------|-------------------|---------------------|------------------------------------|
| Assets | | | | | |
| Cash and cash equivalents | \$ 220,901 | \$ 65,954 | \$ 286,855 | \$ - | \$ 286,855 |
| Accounts receivable | 100,010 | - | 100,010 | - | 100,010 |
| Due from other governments | 5,600 | 16,699 | 22,299 | - | 22,299 |
| Prepaid items | 692 | - | 692 | - | 692 |
| Capital assets being depreciated, net | - | - | - | 2,228,943 | 2,228,943 |
| Total assets | <u>\$ 327,203</u> | <u>\$ 82,653</u> | <u>\$ 409,856</u> | <u>2,228,943</u> | <u>2,638,799</u> |
| Liabilities | | | | | |
| Accounts payable / accrued liabilities | \$ 17,653 | \$ 9,563 | \$ 27,216 | - | 27,216 |
| Accrued liabilities | 11,573 | - | 11,573 | - | 11,573 |
| Due to other governments | 365 | - | 365 | - | 365 |
| Unearned revenue | - | 16,699 | 16,699 | - | 16,699 |
| Long-term liabilities: | | | | | |
| Due within one year | - | - | - | 98,940 | 98,940 |
| Due in more than one year | - | - | - | 1,135,000 | 1,135,000 |
| Total liabilities | 29,591 | 26,262 | 55,853 | 1,233,940 | 1,289,793 |
| Fund balances / net assets | | | | | |
| Unreserved, undesignated | <u>297,612</u> | <u>56,391</u> | <u>354,003</u> | <u>(354,003)</u> | <u>-</u> |
| Total liabilities and fund balances | <u>\$ 327,203</u> | <u>\$ 82,653</u> | <u>\$ 409,856</u> | | |
| Net assets: | | | | | |
| Invested in capital assets, net of related debt | | | | 995,003 | 995,003 |
| Restricted for capital projects | | | | 56,391 | 56,391 |
| Unrestricted | | | | <u>297,612</u> | <u>297,612</u> |
| Total net assets | | | | <u>\$ 1,349,006</u> | <u>\$ 1,349,006</u> |

CITY OF YPSILANTI, MICHIGAN
Statement of Activities and
Governmental Fund Revenues, Expenditures
and Changes in Fund Balance
Downtown Development Authority Component Unit
For the Year Ended June 30, 2009

| | Special Revenue Fund | Capital Projects Fund | Total | Adjustments | Statement of Activities |
|--|-------------------------------------|--------------------------------------|-------------------|--------------------|------------------------------------|
| Expenditures/expenses | | | | | |
| Community development | \$ 814,396 | \$ 32,903 | \$ 847,299 | \$ (477,438) | \$ 369,861 |
| Debt service: | | | | | |
| Principal | 50,000 | 35,000 | 85,000 | (85,000) | - |
| Interest and fiscal charges | 28,351 | 45,030 | 73,381 | - | 73,381 |
| Total expenditures/expenses | 892,747 | 112,933 | 1,005,680 | (562,438) | 443,242 |
| Program revenues | | | | | |
| Operating grants and contributions | 569,623 | - | 569,623 | - | 569,623 |
| Net program (expense) revenue | (323,124) | (112,933) | (436,057) | 562,438 | 126,381 |
| General revenues | | | | | |
| Property taxes | 347,872 | - | 347,872 | - | 347,872 |
| Investment earnings | 4,228 | 345 | 4,573 | - | 4,573 |
| Total general revenues | 352,100 | 345 | 352,445 | - | 352,445 |
| Excess of general revenues over (under) expenditures/expenses | 28,976 | (112,588) | (83,612) | 562,438 | 478,826 |
| Other financing sources (uses) | | | | | |
| Transfers in | - | 73,805 | 73,805 | (73,805) | - |
| Transfers out | (73,805) | - | (73,805) | 73,805 | - |
| Total other financing sources (uses) | (73,805) | 73,805 | - | - | - |
| Net changes in fund balances | (44,829) | (38,783) | (83,612) | 83,612 | - |
| Change in net assets | - | - | - | 478,826 | 478,826 |
| Fund balance/net assets, beginning of year | 342,441 | 95,174 | 437,615 | 432,565 | 870,180 |
| Fund balance/net assets, end of year | \$ 297,612 | \$ 56,391 | \$ 354,003 | \$ 995,003 | \$ 1,349,006 |

CITY OF YPSILANTI, MICHIGAN
Statement of Net Assets and
Governmental Funds Balance Sheet
Depot Town Downtown Development Authority Component Unit
June 30, 2009

| | <u>Special Revenue Fund</u> | <u>Adjustments</u> | <u>Statement of Net Assets</u> |
|---|-------------------------------------|--------------------|------------------------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 306,110 | \$ - | \$ 306,110 |
| Capital assets being depreciated, net | - | 105,000 | 105,000 |
| Total assets | <u>\$ 306,110</u> | <u>105,000</u> | <u>411,110</u> |
| Liabilities | | | |
| Accounts payable / accrued liabilities | \$ 1,866 | - | 1,866 |
| Due to other governments | 11,860 | - | 11,860 |
| Long-term liabilities: | | | |
| Due within one year | - | 14,160 | 14,160 |
| Due in more than one year | - | 93,713 | 93,713 |
| Total liabilities | 13,726 | 107,873 | 121,599 |
| Fund balances / net assets | | | |
| Unreserved, undesignated | 292,384 | (292,384) | - |
| Total liabilities and fund balances | <u>\$ 306,110</u> | | |
| Net assets: | | | |
| Invested in capital assets, net of related debt | | (2,873) | (2,873) |
| Unrestricted | | 292,384 | 292,384 |
| Total net assets | | <u>\$ 289,511</u> | <u>\$ 289,511</u> |

CITY OF YPSILANTI, MICHIGAN
Statement of Activities and
Governmental Fund Revenues, Expenditures
and Changes in Fund Balance
Depot Town Downtown Development Authority Component Unit
For the Year Ended June 30, 2009

| | <u>Special Revenue Fund</u> | <u>Adjustments</u> | <u>Statement of Activities</u> |
|---|-------------------------------------|--------------------------|------------------------------------|
| Expenditures/expenses | | | |
| Community development | \$ 88,296 | \$ 10,500 | \$ 98,796 |
| Debt service: | | | |
| Principal | 13,592 | (13,592) | - |
| Interest and fiscal charges | 6,956 | - | 6,956 |
| | <u>108,844</u> | <u>(3,092)</u> | <u>105,752</u> |
| General revenues | | | |
| Property taxes | 143,717 | - | 143,717 |
| Investment earnings | 4,124 | - | 4,124 |
| Other revenue | 5,480 | - | 5,480 |
| | <u>153,321</u> | <u>-</u> | <u>153,321</u> |
| Net changes in fund balances | 44,477 | (44,477) | - |
| Change in net assets | - | 47,569 | 47,569 |
| Fund balance/net assets, beginning of year | <u>247,907</u> | <u>(5,965)</u> | <u>241,942</u> |
| Fund balance/net assets, end of year | <u><u>\$ 292,384</u></u> | <u><u>\$ (2,873)</u></u> | <u><u>\$ 289,511</u></u> |

CITY OF YPSILANTI, MICHIGAN
Statement of Net Assets and
Governmental Funds Balance Sheet
Economic Development Corporation
June 30, 2009

| | Special Revenue Fund | Adjustments | Statement of Net Assets |
|---------------------------------------|--|--------------------|------------------------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 210,903 | \$ - | \$ 210,903 |
| Capital assets not being depreciated | - | 53,200 | 53,200 |
| | Total assets | 53,200 | 264,103 |
| Liabilities | | | |
| Due to other governments | \$ 72,164 | - | 72,164 |
| Fund balances / net assets | | | |
| Unreserved, undesignated | 138,739 | (138,739) | - |
| | Total liabilities and fund balances | 0 | 0 |
| Net assets: | | | |
| Invested in capital assets | | 53,200 | 53,200 |
| Unrestricted | | 138,739 | 138,739 |
| | Total net assets | 191,939 | 191,939 |

CITY OF YPSILANTI, MICHIGAN
Statement of Activities and
Governmental Fund Revenues, Expenditures
and Changes in Fund Balance
Economic Development Corporation
For the Year Ended June 30, 2009

| | <u>Special Revenue Fund</u> | <u>Adjustments</u> | <u>Statement of Activities</u> |
|---|-------------------------------------|--------------------|------------------------------------|
| Expenditures/expenses | | | |
| Community development | \$ 1,650 | \$ - | \$ 1,650 |
| General revenues | | | |
| Investment earnings | 2,802 | - | 2,802 |
| Other revenue | 15,676 | - | 15,676 |
| Total general revenues | 18,478 | - | 18,478 |
| Net changes in fund balances | 16,828 | (16,828) | - |
| Change in net assets | - | 16,828 | 16,828 |
| Fund balance/net assets, beginning of year | 121,911 | 53,200 | 175,111 |
| Fund balance/net assets, end of year | <u>\$ 138,739</u> | <u>\$ 53,200</u> | <u>\$ 191,939</u> |

CITY OF YPSILANTI, MICHIGAN
Statement of Net Assets and
Governmental Funds Balance Sheet
Brownfield Redevelopment Authority Component Unit
June 30, 2009

| | <u>Special Revenue Fund</u> | <u>Adjustments</u> | <u>Statement of Net Assets</u> |
|--|-------------------------------------|--------------------|------------------------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 31,072 | \$ - | \$ 31,072 |
| Liabilities | | | |
| Unearned revenue | \$ 15,300 | \$ - | \$ 15,300 |
| Fund balances / net assets | | | |
| Unreserved, undesignated | <u>15,772</u> | <u>(15,772)</u> | <u>-</u> |
| Total liabilities and fund balances | <u>\$ 31,072</u> | | |
| Unrestricted net assets | | <u>\$ 15,772</u> | <u>\$ 15,772</u> |

CITY OF YPSILANTI, MICHIGAN
Statement of Activities and
Governmental Fund Revenues, Expenditures
and Changes in Fund Balance
Brownfield Redevelopment Authority Component Unit
For the Year Ended June 30, 2009

| | <u>Special Revenue Fund</u> | <u>Adjustments</u> | <u>Statement of Activities</u> |
|---|-------------------------------------|--------------------|------------------------------------|
| Expenditures/expenses | | | |
| Community development | \$ 574,144 | \$ - | \$ 574,144 |
| General revenues | | | |
| Property taxes | 573,433 | - | 573,433 |
| Investment earnings | 2,098 | - | 2,098 |
| Total general revenues | <u>575,531</u> | <u>-</u> | <u>575,531</u> |
| Net changes in fund balances | 1,387 | (1,387) | - |
| Change in net assets | - | 1,387 | 1,387 |
| Fund balance/net assets, beginning of year | <u>14,385</u> | <u>-</u> | <u>14,385</u> |
| Fund balance/net assets, end of year | <u><u>\$ 15,772</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 15,772</u></u> |

STATISTICAL SECTION

CITY OF YPSILANTI, MICHIGAN
Net Assets by Component (A)
Last Seven Fiscal Years
(accrual basis of accounting)

| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
|--|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental activities | | | | | | | |
| Invested in capital assets, net of related debt | \$ 1,188,191 | \$ 1,901,299 | \$ 1,125,536 | \$ 12,857,112 | \$ 15,049,123 | \$ 15,179,422 | \$ 15,117,105 |
| Restricted | 12,304,472 | 6,247,200 | 6,452,591 | 9,093,066 | 7,108,155 | 10,909,451 | 10,616,072 |
| Unrestricted (deficit) | <u>4,314,607</u> | <u>430,852</u> | <u>5,570,379</u> | <u>(10,295,576)</u> | <u>(7,045,772)</u> | <u>(9,151,560)</u> | <u>(6,613,852)</u> |
| Total governmental activities net assets | <u>\$ 17,807,270</u> | <u>\$ 8,579,351</u> | <u>\$ 13,148,506</u> | <u>\$ 11,654,602</u> | <u>\$ 15,111,506</u> | <u>\$ 16,937,313</u> | <u>\$ 19,119,325</u> |

(A) - City of Ypsilanti implemented GASB Statement No. 34 as of and for the year ended June 30, 2003. Accordingly, data prior to 2003 is not available.

Source: City of Ypsilanti Finance Department

CITY OF YPSILANTI, MICHIGAN
Changes in Net Assets - Governmental Activities
Last Seven Fiscal Years (A)
(accrual basis of accounting)

| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
|--|---------------------|-----------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|
| Expenses | | | | | | | |
| General government | \$ 1,581,277 | \$ 1,419,098 | \$ 1,532,445 | \$ 1,679,364 | \$ 2,021,481 | \$ 1,957,277 | \$ 2,788,130 |
| Public safety | 6,583,816 | 7,429,566 | 7,251,128 | 8,185,587 | 9,601,958 | 9,618,481 | 8,563,993 |
| Public works | 6,864,588 | 7,794,953 | 2,092,229 | 6,423,905 | 4,470,462 | 2,084,186 | 1,935,048 |
| Highways, streets, and bridges | 617,387 | 2,102,452 | 1,921,935 | 1,736,108 | 2,022,071 | 2,562,769 | 3,165,639 |
| Culture and recreation | 1,012,428 | 1,208,152 | 1,250,186 | 1,013,582 | 784,039 | 570,113 | 465,538 |
| Community development | 569,456 | 825,539 | 878,517 | 439,851 | 415,116 | 340,815 | 330,041 |
| Interest on long-term debt | 1,612,540 | 2,583,923 | 2,958,920 | 2,866,288 | 2,514,514 | 2,834,154 | 2,710,134 |
| Total expenses | <u>18,841,492</u> | <u>23,363,683</u> | <u>17,885,360</u> | <u>22,344,685</u> | <u>21,829,641</u> | <u>19,967,795</u> | <u>19,958,523</u> |
| Program revenues | | | | | | | |
| Charges for services: | | | | | | | |
| General government | 354,671 | 472,612 | 450,699 | 462,082 | 544,717 | 1,097,252 | 1,445,822 |
| Public safety | 649,394 | 572,581 | 420,034 | 570,059 | 499,197 | 720,555 | 947,998 |
| Public works | 456,297 | 586,563 | 714,187 | 538,989 | 516,539 | - | - |
| Culture and recreation | 60,668 | 51,059 | 115,362 | 138,705 | 87,033 | - | - |
| Community development | - | - | - | - | - | 1,250 | 1,200 |
| Operating grants and contributions | 3,161,931 | 2,504,507 | 2,794,375 | 2,433,593 | 2,878,483 | 3,504,349 | 3,734,396 |
| Capital grants and contributions | 2,249,767 | 4,420,907 | 3,727,652 | 3,087,106 | 4,891,245 | 672,269 | 94,250 |
| Total program revenues | <u>6,932,728</u> | <u>8,608,229</u> | <u>8,222,309</u> | <u>7,230,534</u> | <u>9,417,214</u> | <u>5,995,675</u> | <u>6,223,666</u> |
| Net (expense) / revenue | <u>(11,908,764)</u> | <u>(14,755,454)</u> | <u>(9,663,051)</u> | <u>(15,114,151)</u> | <u>(12,412,427)</u> | <u>(13,972,120)</u> | <u>(13,734,857)</u> |
| General revenues | | | | | | | |
| Property taxes | 9,196,969 | 9,629,815 | 9,735,731 | 10,560,479 | 11,310,693 | 11,503,422 | 12,098,938 |
| Unrestricted grants and contributions | 3,841,320 | 3,489,839 | 3,375,034 | 3,338,792 | 3,276,430 | 3,070,879 | 3,000,840 |
| Unrestricted investment earnings | 456,872 | 161,630 | 1,121,441 | (284,207) | 1,118,294 | 1,223,621 | 817,091 |
| Other general revenues | 27,739 | 34,650 | - | 5,183 | 163,914 | - | - |
| Total general revenues | <u>13,522,900</u> | <u>13,315,934</u> | <u>14,232,206</u> | <u>13,620,247</u> | <u>15,869,331</u> | <u>15,797,922</u> | <u>15,916,869</u> |
| Special item | | | | | | | |
| Change in fair value of land held for resale | - | (7,788,399) | - | - | - | - | - |
| Change in net assets | <u>\$ 1,614,136</u> | <u>\$ (9,227,919)</u> | <u>\$ 4,569,155</u> | <u>\$ (1,493,904)</u> | <u>\$ 3,456,904</u> | <u>\$ 1,825,802</u> | <u>\$ 2,182,012</u> |

(A) - City of Ypsilanti implemented GASB Statement No. 34 as of and for the year ended June 30, 2003. Accordingly, data prior to 2003 is not available.

Source: City of Ypsilanti Finance Department

CITY OF YPSILANTI, MICHIGAN
Fund Balances - Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)

| | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> |
|--|---------------------|----------------------|----------------------|----------------------|
| General fund | | | | |
| Reserved | \$ 127,851 | \$ 119,949 | \$ 365,416 | \$ 501,530 |
| Unreserved, designated | 1,843,570 | 2,267,577 | 2,387,259 | 1,844,976 |
| Unreserved, undesignated | - | - | - | 331,293 |
| Total general fund | <u>1,971,421</u> | <u>2,387,526</u> | <u>2,752,675</u> | <u>2,677,799</u> |
| Other governmental funds | | | | |
| Reserved | 109,748 | 109,748 | 1,476,645 | 23,126,978 |
| Unreserved, designated | - | - | - | - |
| Unreserved, undesignated reported in: | | | | |
| Special revenue funds | 2,340,331 | 2,634,993 | 2,439,727 | 3,729,777 |
| Debt service funds | - | 5,647 | 905,503 | 608,079 |
| Capital projects funds | 1,408,918 | 9,227,197 | 11,838,241 | 766,971 |
| Total all other governmental funds | <u>3,858,997</u> | <u>11,977,585</u> | <u>16,660,116</u> | <u>28,231,805</u> |
| Total governmental funds | <u>\$ 5,830,418</u> | <u>\$ 14,365,111</u> | <u>\$ 19,412,791</u> | <u>\$ 30,909,604</u> |

Source: City of Ypsilanti Finance Department

Schedule 3
Unaudited

| <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$ 477,742 | \$ 99,780 | \$ 99,518 | \$ 311,238 | \$ 284,902 | \$ 208,839 |
| 1,318,413 | 1,990,157 | 2,457,812 | 2,198,717 | 3,995,995 | 6,312,543 |
| 915,139 | 1,586,873 | 1,670,594 | 3,078,083 | 2,969,171 | 2,947,235 |
| 2,711,294 | 3,676,810 | 4,227,924 | 5,588,038 | 7,250,068 | 9,468,617 |
| 14,949,777 | 10,111,447 | 9,432,511 | 8,174,089 | 6,788,292 | 6,620,602 |
| - | - | - | 429,428 | 609,332 | 609,332 |
| 3,547,024 | 4,183,232 | 3,370,274 | 1,826,258 | 1,858,287 | 1,740,343 |
| 2,203,846 | 1,856,755 | 1,952,024 | 1,756,508 | 1,655,707 | 1,773,204 |
| (2,054,443) | (769,583) | 597,400 | 796,632 | 1,169,857 | 824,598 |
| 18,646,204 | 15,381,851 | 15,352,209 | 12,982,915 | 12,081,475 | 11,568,079 |
| \$ 21,357,498 | \$ 19,058,661 | \$ 19,580,133 | \$ 18,570,953 | \$ 19,331,543 | \$ 21,036,696 |

CITY OF YPSILANTI, MICHIGAN
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> |
|---|----------------------------|----------------------------|----------------------------|-----------------------------|
| Revenues | | | | |
| Taxes and special assessments | \$ 7,366,461 | \$ 7,511,992 | \$ 8,857,543 | \$ 9,243,969 |
| Licenses and permits | 531,631 | 551,898 | 665,519 | 553,615 |
| Intergovernmental | 5,701,644 | 5,885,714 | 7,828,181 | 6,883,669 |
| Charges for services | 714,535 | 610,166 | 673,919 | 559,197 |
| Fines and forfeits | 122,306 | 177,516 | 151,455 | 216,850 |
| Investment earnings | 180,371 | 223,178 | 123,792 | 82,413 |
| Other revenues | 1,124,076 | 1,068,954 | 1,131,386 | 2,660,547 |
| Total revenues | <u>15,741,024</u> | <u>16,029,418</u> | <u>19,431,795</u> | <u>20,200,260</u> |
| Expenditures | | | | |
| General government | 2,250,764 | 2,364,848 | 2,586,286 | 2,778,807 |
| Public safety | 7,259,729 | 7,132,399 | 7,360,420 | 7,330,976 |
| Public works | 2,421,864 | 2,545,164 | 9,235,084 | 6,165,266 |
| Refuse collection | 771,472 | 864,996 | 989,225 | 918,796 |
| Highways, streets and bridges | 949,452 | 1,038,153 | 1,039,049 | 2,357,975 |
| Culture and recreation | 1,034,207 | 994,379 | 996,835 | 1,042,526 |
| Other expenditures | 231,272 | 325,232 | 19,208 | 232,846 |
| Unallocated employee benefits | 616,473 | 688,096 | 703,342 | 853,329 |
| Capital outlay | - | - | 621,877 | 19,536,533 |
| Debt service: | | | | |
| Principal | - | - | 590,000 | 987,281 |
| Interest and fiscal charges | - | 6,458 | 407,469 | 776,324 |
| Total expenditures | <u>15,535,233</u> | <u>15,959,725</u> | <u>24,548,795</u> | <u>42,980,659</u> |
| Revenues over (under) expenditures | <u>205,791</u> | <u>69,693</u> | <u>(5,117,000)</u> | <u>(22,780,399)</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 851,067 | 791,319 | 1,271,181 | 2,606,504 |
| Transfers out | (851,067) | (791,319) | (1,331,181) | (2,631,504) |
| Issuance of debt | 835,000 | 8,465,000 | 10,224,680 | 33,788,904 |
| Payment to refunding escrow agent | - | - | - | - |
| Total other financing sources (uses) | <u>835,000</u> | <u>8,465,000</u> | <u>10,164,680</u> | <u>33,763,904</u> |
| Extraordinary item - change in market value of land held for resale | - | - | - | - |
| Net changes in fund balances | <u><u>\$ 1,040,791</u></u> | <u><u>\$ 8,534,693</u></u> | <u><u>\$ 5,047,680</u></u> | <u><u>\$ 10,983,505</u></u> |
| Debt service as a percentage of noncapital expenditures | <u>0.0%</u> | <u>0.0%</u> | <u>4.2%</u> | <u>7.5%</u> |

Source: City of Ypsilanti Finance Department

Schedule 4
UNAUDITED

| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
|----|---------------------|-----------------------|--------------------|-----------------------|-------------------|---------------------|
| \$ | 9,680,279 | \$ 9,779,484 | \$ 10,559,261 | \$ 11,310,662 | \$ 11,503,422 | \$ 12,098,938 |
| | 630,677 | 750,293 | 617,089 | 576,436 | 665,684 | 657,459 |
| | 9,150,474 | 7,499,981 | 7,254,893 | 7,750,482 | 7,826,046 | 7,667,265 |
| | 633,599 | 698,086 | 931,525 | 987,433 | 416,730 | 582,283 |
| | 153,178 | 225,384 | 362,432 | 297,667 | 394,089 | 445,965 |
| | (45,083) | 437,809 | (297,092) | 932,581 | 912,077 | 743,107 |
| | 2,199,836 | 1,465,233 | 1,410,678 | 1,704,958 | 534,781 | 840,477 |
| | <u>22,402,960</u> | <u>20,856,270</u> | <u>20,838,786</u> | <u>23,560,219</u> | <u>22,252,829</u> | <u>23,035,494</u> |
| | 2,901,404 | 2,888,462 | 2,300,056 | 2,375,208 | 2,409,836 | 2,170,189 |
| | 7,398,919 | 7,121,191 | 8,114,602 | 9,811,440 | 8,744,920 | 8,431,824 |
| | 9,352,172 | 6,969,115 | 2,659,544 | 1,954,923 | 997,305 | 1,194,766 |
| | 982,302 | 963,935 | 1,016,505 | 1,079,251 | 1,171,953 | 1,184,977 |
| | 1,211,559 | 1,232,042 | 1,180,647 | 1,814,492 | 1,973,109 | 1,691,811 |
| | 834,871 | 302,147 | 206,698 | 162,189 | 446,196 | 358,179 |
| | 291,779 | 215,156 | 214,575 | 179,915 | 178,636 | 146,167 |
| | 754,956 | 739,790 | 847,947 | 925,577 | 1,161,692 | 226,756 |
| | 8,656,714 | 6,660,712 | 2,375,227 | 840,776 | - | 1,188,986 |
| | 3,182,693 | 1,718,202 | 2,299,949 | 2,665,245 | 2,501,875 | 2,627,079 |
| | <u>2,041,157</u> | <u>4,468,430</u> | <u>3,145,864</u> | <u>2,766,159</u> | <u>2,767,662</u> | <u>2,692,892</u> |
| | <u>37,608,526</u> | <u>33,279,182</u> | <u>24,361,614</u> | <u>24,575,175</u> | <u>22,353,184</u> | <u>21,913,626</u> |
| | <u>(15,205,566)</u> | <u>(12,422,912)</u> | <u>(3,522,828)</u> | <u>(1,014,956)</u> | <u>(100,355)</u> | <u>1,121,868</u> |
| | 2,973,600 | 2,355,341 | 1,924,858 | 1,139,551 | 999,347 | 1,219,140 |
| | (2,973,600) | (2,373,144) | (1,924,858) | (1,189,551) | (899,683) | (1,187,059) |
| | 13,441,864 | 14,262,866 | 16,827,648 | 9,895,000 | 297,596 | 503,958 |
| | - | (4,120,988) | (12,783,348) | (9,839,224) | - | - |
| | <u>13,441,864</u> | <u>10,124,075</u> | <u>4,044,300</u> | <u>5,776</u> | <u>397,260</u> | <u>536,039</u> |
| | <u>(7,788,399)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| \$ | <u>(9,552,101)</u> | <u>\$ (2,298,837)</u> | <u>\$ 521,472</u> | <u>\$ (1,009,180)</u> | <u>\$ 296,905</u> | <u>\$ 1,657,907</u> |
| | <u>18.0%</u> | <u>23.2%</u> | <u>24.8%</u> | <u>22.6%</u> | <u>25.1%</u> | <u>25.2%</u> |

CITY OF YPSILANTI, MICHIGAN
Assessed and Taxable Value of Property
Last Ten Fiscal Years

| Tax Year | Fiscal Year Ended June 30, | Real Property (1) | | Personal Property (1) | | Total | | Total Direct Tax Rate |
|-------------|----------------------------------|-------------------|-------------------|-----------------------|-------------------|------------------|-------------------|-----------------------------|
| | | Taxable Value | Assessed Value | Taxable Value | Assessed Value | Taxable Value | Assessed Value | |
| 2008 | 2009 | \$ 353,840,502 | \$ 436,827,206 | \$ 48,803,200 | \$ 48,803,200 | \$ 402,643,702 | \$ 485,630,406 | 30.6016 |
| 2007 | 2008 | 358,621,343 | 471,237,912 | 55,108,200 | 55,215,000 | 413,729,543 | 526,452,912 | 29.5795 |
| 2006 | 2007 | 340,765,351 | 446,378,408 | 55,300,150 | 55,896,200 | 396,065,501 | 502,274,608 | 29.5299 |
| 2005 | 2006 | 314,776,856 | 423,184,122 | 44,418,300 | 44,418,300 | 359,195,156 | 467,602,422 | 29.0301 |
| 2004 | 2005 | 299,731,615 | 394,903,750 | 46,307,000 | 46,307,000 | 346,038,615 | 441,210,750 | 27.9161 |
| 2003 | 2004 | 288,510,359 | 369,609,400 | 49,798,100 | 49,798,100 | 338,308,459 | 419,407,500 | 28.2820 |
| 2002 | 2003 | 275,588,059 | 336,132,580 | 52,025,100 | 52,025,100 | 327,613,159 | 388,157,680 | 27.4085 |
| 2001 | 2002 | 255,024,845 | 303,049,100 | 54,863,200 | 54,863,200 | 309,888,045 | 357,912,300 | 27.3675 |
| 2000 | 2001 | 239,483,547 | 272,728,300 | 54,122,700 | 54,122,700 | 293,606,247 | 326,851,000 | 24.4575 |
| 1999 | 2000 | 228,364,900 | 248,347,800 | 57,740,400 | 57,740,400 | 286,105,300 | 306,088,200 | 24.5990 |

(1) Includes properties subject to Industrial Facility Tax exemptions.

Source: City of Ypsilanti Assessing Division

CITY OF YPSILANTI, MICHIGAN
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$1,000 of taxable value)

| Fiscal Year Ended June 30, | Ypsilanti Public Schools | State Education Tax | Washtenaw | | Washtenaw Community College | Ypsilanti District Library | Totals | | |
|----------------------------------|--------------------------------|---------------------------|------------------------------------|--------|-----------------------------------|----------------------------------|-----------|-------------------|---------|
| | | | Intermediate School District | County | | | Homestead | Non- Homestead | |
| 2009 | 30.6016 | 25.0000 | 6.0000 | 3.9745 | 5.7018 | 3.6856 | 2.1553 | 59.1188 | 77.1188 |
| 2008 | 29.5795 | 25.0000 | 6.0000 | 3.9745 | 5.6768 | 3.6956 | 2.1553 | 58.0817 | 76.0817 |
| 2007 | 29.5299 | 25.0000 | 6.0000 | 3.9745 | 5.6768 | 3.7082 | 2.3475 | 58.2369 | 76.2369 |
| 2006 | 29.0301 | 25.0000 | 6.0000 | 3.9970 | 5.5024 | 3.7249 | 2.3475 | 57.6019 | 75.6019 |
| 2005 | 27.9161 | 25.0000 | 6.0000 | 4.0350 | 5.5493 | 3.7748 | 2.3540 | 56.6292 | 74.6292 |
| 2004 | 28.2820 | 25.0000 | 5.0000 | 3.0552 | 5.5819 | 3.8343 | 2.3540 | 55.1074 | 73.1074 |
| 2003 | 27.4085 | 24.6593 | 6.0000 | 3.0738 | 5.6186 | 3.8559 | 2.3937 | 55.3505 | 73.0098 |
| 2002 | 27.3675 | 24.7018 | 6.0000 | 3.1050 | 5.6772 | 3.9721 | 2.4511 | 55.5729 | 73.2747 |
| 2001 | 24.4575 | 24.7267 | 6.0000 | 3.1311 | 5.4759 | 3.9944 | 2.4719 | 52.5308 | 70.2575 |
| 2000 | 24.5990 | 24.8092 | 6.0000 | 3.1568 | 5.5197 | 4.0319 | 2.4840 | 52.7914 | 70.6006 |

SOURCES: Annual Apportionment Report of Washtenaw County and City of Ypsilanti Treasury Division

CITY OF YPSILANTI, MICHIGAN
Principal Property Taxpayers
Current Year and Ten Years Ago
(amounts expressed in thousands)

| Taxpayer | 2009 | | | 1999 | | |
|---|----------------------|------|--|----------------------|------|--|
| | Taxable Valuation | Rank | % of Total City Taxable Value | Taxable Valuation | Rank | % of Total City Taxable Value |
| Automotive Components Holdings (formerly Ford Motors) | \$ 28,266 | 1 | 7.02% | \$ 42,470 | 1 | 15.33% |
| DTE (formerly Detroit Edison Utilities) | 9,537 | 2 | 2.37% | 4,265 | 2 | 1.54% |
| Peninsular Place | 9,148 | 3 | 2.27% | - | | 0.00% |
| University Housing Leforge | 3,812 | 4 | 0.95% | - | | 0.00% |
| River Drive Apartments | 3,400 | 5 | 0.84% | 3,267 | 5 | 1.18% |
| Forest Health Medical | 3,304 | 6 | 0.82% | - | | 0.00% |
| Barnes & Barnes Properties | 3,046 | 7 | 0.76% | - | | 0.00% |
| River Rain Apartments | 2,232 | 8 | 0.55% | 1,939 | 8 | 0.70% |
| Asad Khailany | 1,811 | 9 | 0.45% | 1,413 | 10 | 0.51% |
| Huron View Apartments | 1,706 | 10 | 0.42% | - | | 0.00% |
| Exemplar Manufacturing | - | | - | 4,151 | 3 | 1.50% |
| Mich Con Utility | - | | - | 3,641 | 4 | 1.31% |
| Crown Paper Company Manufacturing | - | | - | 2,935 | 6 | 1.06% |
| Eastern Village Apartment | - | | - | 1,261 | 7 | 0.46% |
| Beyer Hospital Doctors Office | - | | - | 1,904 | 9 | 0.69% |
| | <u>\$ 66,262</u> | | <u>16.46%</u> | <u>\$ 67,246</u> | | <u>24.27%</u> |

Source: City of Ypsilanti Assessing Division

CITY OF YPSILANTI, MICHIGAN
Property Tax Levies and Collections
Last Ten Fiscal Years

| (1) Fiscal Year Ended June 30, | (2) Taxes Levied for the Fiscal Year | Collected within the | | (3) Delinquent Collections | Total Collections to Date | |
|---|---|-------------------------|-----------|----------------------------------|---------------------------|-----------|
| | | Fiscal Year of the Levy | | | Amount | % of Levy |
| | | Amount | % of Levy | | Amount | % of Levy |
| 2009 | \$ 9,682,649 | \$ 8,867,407 | 91.6% | \$ 716,759 | \$ 9,584,166 | 99.0% |
| 2008 | 9,710,088 | 8,824,251 | 90.9% | 798,331 | 9,622,582 | 99.1% |
| 2007 | 9,239,461 | 8,399,585 | 90.9% | 418,419 | 8,818,004 | 95.4% |
| 2006 | 9,075,900 | 8,391,389 | 92.5% | 594,060 | 8,985,449 | 99.0% |
| 2005 | 8,394,563 | 7,870,141 | 93.8% | 335,805 | 8,205,946 | 97.8% |
| 2004 | 8,217,008 | 7,648,000 | 93.1% | 461,140 | 8,109,140 | 98.7% |
| 2003 | 8,012,572 | 7,342,773 | 91.6% | 518,308 | 7,861,081 | 98.1% |
| 2002 | 7,579,060 | 6,921,014 | 91.3% | 637,677 | 7,558,691 | 99.7% |
| 2001 | 7,485,346 | 6,935,216 | 92.7% | 481,687 | 7,416,903 | 99.1% |
| 2000 | 7,350,468 | 6,828,922 | 92.9% | 505,918 | 7,334,840 | 99.8% |

(1) Property taxes are levied July 1 of the current fiscal year based on taxable property values as of the preceding December 31. Summer taxes become delinquent as of September 15. Winter Taxes become delinquent as of February 14. The City's delinquent real property taxes are purchased by the Washtenaw County Delinquent Uncollected Tax Revolving Fund. Uncollected Personal property taxes are sent to the Ypsilanti Credit Bureau on June 1 for collection.

(2) Includes Industrial Facility Tax.

(3) Includes settlement from Washtenaw County Delinquent Tax Revolving for purchase of delinquent real property taxes.

Source: City of Ypsilanti Treasury Division

CITY OF YPSILANTI, MICHIGAN
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental activities | | | | | | | | | | |
| General obligation bonds | \$ - | \$ 8,465,000 | \$ 7,875,000 | \$ 22,100,000 | \$ 25,810,000 | \$ 27,715,000 | \$ 29,525,000 | \$ 28,660,000 | \$ 27,750,000 | \$ 26,800,000 |
| Revenue bonds | 1,695,952 | 1,345,989 | 10,193,066 | 25,379,320 | 32,524,115 | 38,825,827 | 38,003,306 | 36,945,000 | 35,797,596 | 34,776,554 |
| Installment obligations | 967,218 | 883,150 | 2,019,152 | 5,400,725 | 4,694,749 | 3,248,526 | 3,688,747 | 3,546,808 | 3,399,933 | 3,247,854 |
| Amounts available in debt service funds | - | (5,647) | (905,503) | (608,079) | (2,203,846) | (1,856,755) | (1,952,024) | (1,756,508) | (1,655,707) | (1,773,204) |
| Total outstanding debt | \$ 2,663,170 | \$ 10,688,492 | \$ 19,181,715 | \$ 52,271,966 | \$ 60,825,018 | \$ 67,932,598 | \$ 69,265,029 | \$ 67,395,300 | \$ 65,291,822 | \$ 63,051,204 |
| Total taxable value | 286,105,300 | 293,606,247 | 309,888,045 | 327,613,159 | 338,308,459 | 346,038,615 | 359,195,156 | 396,065,501 | 413,729,543 | 402,643,702 |
| Ratio of total debt to taxable value | 0.93% | 3.64% | 6.19% | 15.96% | 17.98% | 19.63% | 19.28% | 17.02% | 15.78% | 15.66% |
| Total population | 22,362 | 22,324 | 22,286 | 22,138 | 21,989 | 21,949 | 21,767 | 21,827 | 20,849 | 20,437 |
| Total debt per capita | \$ 119 | \$ 479 | \$ 861 | \$ 2,361 | \$ 2,766 | \$ 3,095 | \$ 3,182 | \$ 3,088 | \$ 3,132 | \$ 3,085 |
| % of personal income | 0.35% | 1.35% | 2.41% | 6.45% | 7.34% | 8.10% | 8.23% | 7.74% | 7.85% | 7.73% |

Source: City of Ypsilanti Finance Department

Details regarding the City's debt can be found in the notes to the financial statements.

CITY OF YPSILANTI, MICHIGAN
Ratios of General Bonded Debt Outstanding
Last Ten Years

| Year | General Bonded Debt Outstanding | | | % of Actual Taxable Value of Property | Per Capita |
|-------------|--|---|---------------|--|-------------------|
| | General Obligation Bonds | Less: Amounts Restricted to Repaying Principal | Total | | |
| 2009 | \$ 26,800,000 | \$ 1,773,204 | \$ 25,026,796 | 6.22% | \$ 1,224.58 |
| 2008 | 27,750,000 | 1,655,707 | 26,094,293 | 6.31% | 1,251.58 |
| 2007 | 28,660,000 | 1,756,508 | 26,903,492 | 6.79% | 1,232.58 |
| 2006 | 29,525,000 | 1,952,024 | 27,572,976 | 7.68% | 1,266.73 |
| 2005 | 27,715,000 | 1,856,755 | 25,858,245 | 7.47% | 1,178.11 |
| 2004 | 25,810,000 | 2,203,846 | 23,606,154 | 6.98% | 1,073.54 |
| 2003 | 22,100,000 | 608,079 | 21,491,921 | 6.56% | 970.82 |
| 2002 | 7,875,000 | 905,503 | 6,969,497 | 2.25% | 312.73 |
| 2001 | 8,465,000 | 5,647 | 8,459,353 | 2.88% | 378.94 |
| 2000 | - | - | - | 0.00% | - |

Source: City of Ypsilanti Finance Department

CITY OF YPSILANTI, MICHIGAN
Computation of Net Direct and Overlapping Debt
As of June 30, 2009

| | <u>Gross Amount Outstanding</u> | <u>Self-Supporting or Paid by Benefited Entity</u> | <u>Net Amount Outstanding</u> |
|--|---|--|---------------------------------------|
| Direct debt | | | |
| General obligation bonds | \$ 26,800,000 | \$ - | \$ 26,800,000 |
| General obligation bonds - DDA | 1,230,000 | 1,230,000 | - |
| Revenue bonds | 34,776,554 | 34,776,554 | - |
| Revenue bonds - Depot Town DDA | 107,873 | 107,873 | - |
| Installment obligations | <u>3,247,854</u> | <u>-</u> | <u>3,247,854</u> |
| Net direct debt | <u>\$ 66,162,281</u> | <u>\$ 36,114,427</u> | <u>30,047,854</u> |
| Overlapping debt | | | |
| Ypsilanti School District | | | 35,273,528 |
| Washtenaw County | | | 2,421,535 |
| Washtenaw Community College | | | 1,379,041 |
| Ypsilanti District Library | | | <u>1,910,260</u> |
| Net overlapping debt | | | <u>40,984,364</u> |
| Net direct and overlapping debt | | | <u>\$ 71,032,218</u> |

Source: City of Ypsilanti Finance Department and Municipal Advisory Council of Michigan

CITY OF YPSILANTI, MICHIGAN
Legal Debt Margin
Last Ten Years

Legal Debt Margin Calculation for Fiscal 2008

| | |
|--|----------------------|
| Assessed value | \$ 485,630,406 |
| Debt limit (10% of assessed value) | \$ 48,563,041 |
| Net debt subject to limitation: | |
| General obligation bonds | 26,800,000 |
| Less amounts available for repayment of general obligation bonds | (1,773,204) |
| | <u>25,026,796</u> |
| Legal debt margin | <u>\$ 23,536,245</u> |

| | Debt Limit | Total Net Debt Applicable to Limit | Legal Debt Margin | Total Net Debt Applicable to Limit as a Percentage of Debt Limit |
|------|-----------------------|---|------------------------------|---|
| 2009 | \$ 48,563,041 | \$ 25,026,796 | \$ 23,536,245 | 51.53% |
| 2008 | 52,645,291 | 26,094,293 | 26,550,998 | 49.57% |
| 2007 | 50,227,461 | 26,903,492 | 23,323,969 | 53.56% |
| 2006 | 46,760,242 | 26,645,475 | 20,114,767 | 56.98% |
| 2005 | 44,121,075 | 27,695,470 | 16,425,605 | 62.77% |
| 2004 | 41,940,750 | 25,697,925 | 16,242,825 | 61.27% |
| 2003 | 38,815,768 | 21,983,237 | 16,832,531 | 56.63% |
| 2002 | 35,791,230 | 7,809,709 | 27,981,521 | 21.82% |
| 2001 | 32,685,100 | 8,459,353 | 24,225,747 | 25.88% |
| 2000 | 30,608,820 | - | 30,608,820 | 0.00% |

Source: City of Ypsilanti Finance Department

CITY OF YPSILANTI, MICHIGAN
Revenue Bond Coverage
Last Ten Fiscal Years

| <u>Fiscal Year Ended August 31,</u> | <u>(1) Gross Revenue</u> | <u>(2) Operating Expenses</u> | <u>Net Revenue Available for Debt Service</u> | <u>Total Debt Service Requirement</u> | <u>Coverage</u> |
|---|----------------------------------|---------------------------------------|---|---|-----------------|
| 2008 | \$ 35,548,571 | \$ 27,925,431 | \$ 7,623,140 | \$ 5,368,807 | 1.42 |
| 2007 | 37,781,498 | 26,934,363 | 10,847,135 | 5,596,598 | 1.94 |
| 2006 | 33,818,172 | 25,512,868 | 8,305,304 | 6,534,757 | 1.27 |
| 2005 | 34,602,217 | 23,178,366 | 11,423,851 | 6,108,306 | 1.87 |
| 2004 | 33,550,541 | 21,058,612 | 12,491,929 | 5,252,872 | 2.38 |
| 2003 | 27,197,424 | 21,476,377 | 5,721,047 | 4,689,848 | 1.22 |
| 2002 | 26,308,768 | 20,241,129 | 6,067,639 | 4,335,292 | 1.40 |
| 2001 | 26,079,700 | 19,245,962 | 6,833,738 | 4,187,246 | 1.63 |
| 2000 | 23,556,269 | 18,723,057 | 4,833,212 | 3,217,769 | 1.50 |
| 1999 | 21,737,356 | 17,274,420 | 4,462,936 | 2,803,390 | 1.59 |

Source: Ypsilanti Community Utilities Authority comprehensive annual financial report.

(Note: YCUA is on a August 31 fiscal year end; as such, the 2009 report is not yet available.)

(1) Includes operating revenue, investment earnings, connect fees and debt service contributions.

(2) Excludes depreciation expense.

(3) Includes bonds and capital leases applicable to YCUA as a whole.

CITY OF YPSILANTI, MICHIGAN
Demographic and Economic Statistics
Last Ten Years

| Year | (1) Population | (2) Total Personal Income (in thousands) | (2) Per Capita Income | (3) School Enrollment | (4) Unemployment Rate |
|------|-------------------|--|-----------------------------|-----------------------------|-----------------------------|
| | | | | | |
| 2009 | 20,437 | \$ 852,828 (5) | \$ 40,905 (5) | 3,881 | 11.3% |
| 2008 | 20,849 | 852,828 | 40,905 | 3,864 | 8.0% |
| 2007 | 21,827 | 870,723 | 39,892 | 4,005 | 4.5% |
| 2006 | 21,767 | 841,991 | 38,682 | 4,071 | 4.6% |
| 2005 | 21,949 | 838,693 | 38,211 | 4,141 | 4.4% |
| 2004 | 21,989 | 829,029 | 37,702 | 4,401 | 4.3% |
| 2003 | 22,138 | 809,941 | 36,586 | 4,748 | 4.1% |
| 2002 | 22,286 | 796,368 | 35,734 | 4,648 | 3.6% |
| 2001 | 22,324 | 793,774 | 35,557 | 4,665 | 2.9% |
| 2000 | 22,362 | 752,571 | 33,654 | 4,665 | 2.3% |

| Year | Population | Median Age |
|------|------------|---------------|
| 2000 | 22,237 (1) | 23.6 (1) |
| 1990 | 24,846 (1) | 23.5 (1) |
| 1980 | 24,031 (1) | 23.6 (1) |
| 1970 | 29,538 (1) | 23.7 (1) |
| 1960 | 20,957 (1) | - |
| 1950 | 18,302 (1) | - |
| 1940 | 12,121 | - |
| 1930 | 10,143 | - |

(1) Estimate per SEMCOG and U.S. Census Bureau

(2) Estimate from U.S. Department of Commerce, Bureau of Economic Analysis

(3) Data from Ypsilanti Public School District

(4) Labor market information at Michigan.gov (for Ann Arbor, MI Metropolitan Statistical Area)

(5) 2009 data not yet available (used prior year data)

CITY OF YPSILANTI, MICHIGAN
Principal Employers
Current Year and Eight Years Ago

| Employer | 2009 | | | 2001 | | |
|------------------------------------|--------------|------|----------------------------------|--------------|------|----------------------------------|
| | Employees | Rank | % of Total City Employment | Employees | Rank | % of Total City Employment |
| Eastern Michigan University | 1,958 | 1 | 17.08% | 2,024 | 2 | 16.47% |
| Ypsilanti Public Schools | 700 | 2 | 6.11% | 690 | 3 | 5.61% |
| Washtenaw County | 200 | 3 | 1.74% | 260 | 5 | 2.12% |
| Bortz Health Care of Ypsilanti | 141 | 4 | 1.23% | 151 | 6 | 1.23% |
| Forest Health Services | 140 | 5 | 1.22% | - | - | - |
| City of Ypsilanti | 107 | 6 | 0.93% | 170 | 8 | 1.38% |
| Marsh Plating & Finishing Services | 85 | 7 | 0.74% | 120 | 9 | 0.98% |
| Gene Butman Ford | 60 | 8 | 0.52% | 60 | 11 | 0.49% |
| Walgreens | 56 | 9 | 0.49% | 75 | 10 | 0.61% |
| Fisher Honda | 26 | 10 | 0.23% | 21 | 12 | 0.17% |
| Ford Motor Company | - | - | - | 2,268 | 1 | 18.45% |
| Beyer Hospital | - | - | - | 370 | 4 | 3.01% |
| Exemplar Manufacturing | - | - | - | 150 | 7 | 1.22% |
| | <u>3,473</u> | | <u>30.30%</u> | <u>6,359</u> | | <u>51.74%</u> |

2000 data not available.

Source: Economic Development Department, City of Ypsilanti
Washtenaw County Economic Development & Growth
Manta.com and prior Official Statement for the City of Ypsilanti

CITY OF YPSILANTI, MICHIGAN
Full-Time Equivalent City Government Employees by Function/Program
Last Nine Years (1)

| Function/Program | Full-time Equivalent Employees as of June 30, | | | | | | | | |
|---|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| Mayor and City Council | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 |
| Administrative services | | | | | | | | | |
| City Manager (172) | 2.50 | 2.50 | 2.75 | 2.50 | 2.00 | 2.50 | 2.00 | 2.10 | 1.85 |
| Human Resources (226) | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 1.80 | 1.90 | 1.55 |
| Ordinance Enforcement (341) | 1.50 | 1.50 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Building Inspection (371) | 4.00 | 4.00 | 6.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.25 |
| Planning & Development (801) | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 4.50 | 3.50 | 3.40 | 1.65 |
| Recreation (707) | 4.50 | 4.50 | 4.75 | 1.75 | 1.00 | - | - | - | - |
| | <u>19.50</u> | <u>19.50</u> | <u>21.50</u> | <u>17.25</u> | <u>16.00</u> | <u>15.00</u> | <u>13.30</u> | <u>13.40</u> | <u>11.30</u> |
| Citizen services | | | | | | | | | |
| Voters Registration, school and county election (191) | 1.50 | 1.50 | 2.00 | 2.00 | 2.00 | 1.00 | 1.00 | - | - |
| City Clerk (215) | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| | <u>3.50</u> | <u>3.50</u> | <u>4.00</u> | <u>4.00</u> | <u>4.00</u> | <u>3.00</u> | <u>3.00</u> | <u>2.00</u> | <u>2.00</u> |
| Fire services | | | | | | | | | |
| Administration (337) | 3.00 | 3.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 1.00 |
| Suppression (339) | 21.00 | 21.00 | 21.00 | 21.00 | 21.00 | 21.00 | 21.00 | 23.00 | 21.00 |
| | <u>24.00</u> | <u>24.00</u> | <u>23.00</u> | <u>23.00</u> | <u>23.00</u> | <u>23.00</u> | <u>23.00</u> | <u>25.00</u> | <u>22.00</u> |
| Fiscal services | | | | | | | | | |
| Finance - Accounting (201) | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 2.70 | 3.20 | 3.20 |
| Finance - Assessor (209) | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 1.00 | 1.00 |
| Finance - Treasurer (253) | 2.50 | 2.50 | 2.50 | 2.50 | 2.00 | 2.00 | 1.80 | 1.50 | 1.50 |
| | <u>7.50</u> | <u>7.50</u> | <u>7.50</u> | <u>7.50</u> | <u>7.00</u> | <u>7.00</u> | <u>6.50</u> | <u>5.70</u> | <u>5.70</u> |
| Police services | | | | | | | | | |
| Administration (305) | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 2.00 | 2.00 |
| Field Services (307) | 51.00 | 51.00 | 51.00 | 42.00 | 42.00 | 42.00 | 40.00 | 41.00 | 37.00 |
| Parking Enforcement (311) | 2.00 | 2.00 | 2.00 | 6.00 | 6.00 | 6.00 | 6.00 | 4.00 | 2.00 |
| LAWNET Grant (312 & 316) | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| School Liaison Contract (317) | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| | <u>58.00</u> | <u>58.00</u> | <u>58.00</u> | <u>53.00</u> | <u>53.00</u> | <u>53.00</u> | <u>51.00</u> | <u>49.00</u> | <u>43.00</u> |
| Public services | | | | | | | | | |
| Parks, streets, building, parking lots, and garbage collection | 21.00 | 21.00 | 22.00 | 22.00 | 22.00 | 23.00 | 22.00 | 21.75 | 19.00 |
| Administration (441) | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 | 4.00 | 3.75 |
| | <u>24.75</u> | <u>24.75</u> | <u>25.75</u> | <u>25.75</u> | <u>25.75</u> | <u>26.75</u> | <u>25.75</u> | <u>25.75</u> | <u>22.75</u> |
| Total full-time employees | <u>137.25</u> | <u>137.25</u> | <u>139.75</u> | <u>130.50</u> | <u>128.75</u> | <u>127.75</u> | <u>122.55</u> | <u>120.85</u> | <u>106.75</u> |
| Total council and full-time employees | <u>144.25</u> | <u>144.25</u> | <u>146.75</u> | <u>137.50</u> | <u>135.75</u> | <u>134.75</u> | <u>129.55</u> | <u>127.85</u> | <u>113.75</u> |

(1) Data prior to fiscal 2001 is not readily available; accordingly, nine years of data is presented.

Source: City of Ypsilanti Finance Department

CITY OF YPSILANTI, MICHIGAN
Operating Indicators by Function/Program
Last Ten Years

| Function/Program | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Public Safety | | | | | | | | | | |
| Police services | | | | | | | | | | |
| Number of uniform crime reporting | 4,328 | 4,809 | 4,091 | 4,515 | 4,324 | 3,946 | 4,171 | 4,524 | 3,087 | 3,349 |
| Number of traffic violations | n/a | 2,314 | 2,977 | 3,345 | 2,550 | 3,492 | 3,275 | 3,269 | 3,538 | 7,502 |
| Number of arrests | 1,799 | 2,103 | 1,660 | 1,953 | 1,935 | 1,327 | 1,479 | 1,818 | 1,484 | 2,015 |
| Number of parking violations | 3,826 | 8,917 | 10,724 | 10,030 | 9,522 | 16,954 | 14,851 | 11,369 | 6,818 | 9,654 |
| Fire services | | | | | | | | | | |
| Number of calls answered | 598 | 622 | 716 | 632 | 582 | 511 | 478 | 511 | 402 | 553 |
| Number of inspections conducted | 420 | 362 | 550 | 783 | 859 | 778 | 785 | 980 | 996 | 1,396 |
| Public Services | | | | | | | | | | |
| Miles of local streets maintained | 20.56 | 20.56 | 20.56 | 20.56 | 20.56 | 20.56 | 20.56 | 21.22 | 21.22 | 21.22 |
| Miles of major streets maintained | 33.18 | 33.18 | 33.18 | 33.18 | 33.18 | 33.18 | 33.18 | 32.52 | 32.52 | 32.44 |
| Public Utilities | | | | | | | | | | |
| Miles of water mains | 53.74 | 53.74 | 53.74 | 53.74 | 53.74 | 53.74 | 53.74 | 53.74 | 53.74 | 53.74 |
| Number of fire hydrants | 663 | 663 | 663 | 663 | 663 | 663 | 663 | 663 | 663 | 663 |

n/a = not available

Source: City of Ypsilanti Finance Department

CITY OF YPSILANTI, MICHIGAN
Capital Asset Statistics by Function/Program
Last Ten Years

| Function/Program | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|--------------------------------|------|------|------|------|------|------|------|------|------|------|------|
| Police Services | | | | | | | | | | | |
| Police department building | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Temporary detention cells | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Vehicle patrol units: | | | | | | | | | | | |
| Police service automobiles | 14 | 14 | 14 | 14 | 14 | 13 | 13 | 12 | 12 | 10 | 10 |
| Unmarked police vehicles | 9 | 9 | 9 | 9 | 9 | 8 | 8 | 7 | 7 | 7 | 6 |
| Parking enforcement | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Mobile Command Vehicle. | - | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Volunteer service vehicle. | - | - | - | - | - | - | - | 1 | 1 | 1 | 1 |
| Fire Services | | | | | | | | | | | |
| Emergency services building | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Vehicle units: | | | | | | | | | | | |
| Pumper truck | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 |
| Pumper ladder truck | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 |
| Rescue truck | 1 | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Jaws of life | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Chief's city car | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Trailer | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | - | - |
| Pickup truck | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Utility van | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Administrative Services | | | | | | | | | | | |
| Crown Victoria-CM & CH | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 1 |
| Taurus - CM | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 1 |
| Building enforcement vehicles | | | | | | | | | | | |

CITY OF YPSILANTI, MICHIGAN
Capital Asset Statistics by Function/Program
Last Ten Years

| Function/Program | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|--------------------------------|------|------|------|------|------|------|------|------|------|------|------|
| Public Services | | | | | | | | | | | |
| Passenger | | | | | | | | | | | |
| Crown Victoria | - | - | - | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 |
| Van | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 1 |
| Van with Aerial Lift | | | | | | | | | | | 1 |
| Trucks: | | | | | | | | | | | |
| Pick-up with Aerial Lift | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 8 |
| Dump | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 3 |
| with Grapple | | | | | | | | | | | 1 |
| Stake | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 6 |
| with Aerial Lift | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | - |
| Recycle Truck | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Packer Truck | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 4 |
| Brush Chipper | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 |
| Tractors: | | | | | | | | | | | |
| with Front Loader | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| with Front Loader/Rear Plow | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| with Bucket&Backhoe | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| with Drawn Rake | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| with Salt Spreader & Snow Plow | | | | | | | | | | | |
| Garden | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Wide Area Mower | | | | | | | | | | | 1 |
| Loader with Bucket | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 |
| Equipment: | | | | | | | | | | | |
| Gas Tester | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Arrowboard | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Snow Blower | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Traffic Counter | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Star Drill | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

CITY OF YPSILANTI, MICHIGAN
Capital Asset Statistics by Function/Program
Last Ten Years

| Function/Program | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|----------------------------|------|------|------|------|------|------|------|------|------|------|------|
| Flail Mower | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Trailer | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 4 |
| Auger | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Street Sweeper | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Compactor | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Cement Mixer | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Bituminous | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Hyd. Sewer Cleaner | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Compressor | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Concrete Pavement Saw | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Rear Plow | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Dual Line Stripper | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Leaf Blower | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Weed Eater | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Rotary Lawn Mower | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 |
| Bush Hog | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Generator | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Compressor | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Maint. Drawn Tractor Blade | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Sod Cutter | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Rotary Tiller | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Chain Saw | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| Power Pruner | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 4 |
| Stump Cutter | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Chipper Box | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fork Lift | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Roller | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Pressure Washer | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Portable Space Heater | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Power MIG 255 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

CITY OF YPSILANTI, MICHIGAN
Capital Asset Statistics by Function/Program
Last Ten Years

| Function/Program | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|-----------------------------------|------|------|------|------|------|------|------|------|------|------|------|
| Precision TIG 275 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Row Boat | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Parks & Recreation | | | | | | | | | | | |
| Parks: | | | | | | | | | | | |
| Active | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Inactive | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 1 |
| Tot Lots | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 |
| Park acreage: | | | | | | | | | | | |
| Active parks | 80.8 | 80.8 | 80.8 | 80.8 | 80.8 | 80.8 | 80.8 | 80.8 | 80.8 | 80.8 | 80.8 |
| Inactive | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 2.0 |
| Tot Lots | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 |
| Picnic areas | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Buildings: | | | | | | | | | | | |
| Parkridge Community Center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Senior Center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Concessions | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Pavilions | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Swimming Pool | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Amphitheater | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Multituse Trail | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | - |
| Park and Play Area Acreage | | | | | | | | | | | |
| Candy Cane Park | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 |
| Carrie Mattingly Tot Lot | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Charles Street Tot Lot | 0.33 | 0.33 | 0.33 | 0.33 | 0.33 | 0.33 | 0.33 | 0.33 | 0.33 | 0.33 | 0.33 |
| Edith Hefley Park | 0.90 | 0.90 | 0.90 | 0.90 | 0.90 | 0.90 | 0.90 | 0.90 | 0.90 | 0.90 | 0.90 |
| Frog Island Park | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 |

CITY OF YPSILANTI, MICHIGAN
Capital Asset Statistics by Function/Program
Last Ten Years

| Function/Program | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Gilbert Park | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | - |
| Parkridge Park Community Center | 8.13 | 8.13 | 8.13 | 8.13 | 8.13 | 8.13 | 8.13 | 8.13 | 8.13 | 8.13 | 8.13 |
| Peninsular Park | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Prospect Park | 9.54 | 9.54 | 9.54 | 9.54 | 9.54 | 9.54 | 9.54 | 9.54 | 9.54 | 9.54 | 9.54 |
| Recreation Park/Pool/Senior Center | 17.36 | 17.36 | 17.36 | 17.36 | 17.36 | 17.36 | 17.36 | 17.36 | 17.36 | 17.36 | 17.36 |
| Riverside Park | 13.77 | 13.77 | 13.77 | 13.77 | 13.77 | 13.77 | 13.77 | 13.77 | 13.77 | 13.77 | 13.77 |
| Waterworks Park | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 |
| Picnic | | | | | | | | | | | |
| Candy Cane Park | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Edith Hefley Park | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Frog Island Park | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Parkridge Park Community Center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Peninsular Park | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Prospect Park | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Recreation Park/Pool/Senior Center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Riverside Park | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Waterworks Park | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Pavilions | | | | | | | | | | | |
| Recreation Park/Pool/Senior Center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Candy Cane Park | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Prospect Park | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Waterworks Park | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Frog Island Park | - | - | - | - | - | - | - | - | - | - | - |
| Parkridge Park Community Center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Riverside Park | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Peninsular Park | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

CITY OF YPSILANTI, MICHIGAN
Capital Asset Statistics by Function/Program
Last Ten Years

| Function/Program | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|-------------------------------------|------|------|------|------|------|------|------|------|------|------|------|
| City Attractions | | | | | | | | | | | |
| Farmer's Market / Freighthouse | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Harriet Commerce Center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Riverside Arts Center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Ypsilanti Automotive History Museum | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Ypsilanti District Library | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Ypsilanti Historical Museum | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Ypsilanti Water Tower | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Ypsilanti West Commerce Park | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

Source: City of Ypsilanti Finance Department

CITY OF YPSILANTI, MICHIGAN

Schedule of Insurance

As of June 30, 2009

| Type of Coverage | Name of Company | Policy Period | Premium | Description |
|------------------|---|----------------------|------------|--|
| | Michigan Municipal League Liability and Property Pool | 08/01/08-08/01/09 | \$ 444,132 | Covers general liability, police professional liability and public officials errors & omissions. Limit of liability \$2,000,000. |
| | Michigan Municipal League Liability and Property Pool | 08/01/08-08/01/09 | 64,383 | Covers equipment and automobiles. |
| | Michigan Municipal League Liability and Property Pool | 08/01/08-08/01/09 | 21,654 | Covers buildings and attached property. |
| | Zurich North America | 8/30/08-8/30/09 | 1,778 | Covers commercial storage tank |
| | Blue Cross - Blue Shield, Assurant, EHIM, Fort Dearborn, MECA, UNIM | 07/01/2008-0630/2009 | 1,851,147 | Employee and retiree benefits: health, dental, prescription, life, vision and long-term disability. |
| | Accident Fund | 07/01/2008-0630/2009 | 46,170 | Workers compensation and employees liability excess insurance policy for self insure combined specific and aggregate agreement. Part one - employer liability \$1,000,000, part two - workers compensation limit \$5,000,000, part two - employer liability \$1,000,000. |

Source: City of Ypsilanti Finance Department