

CITY OF YPSILANTI, MICHIGAN

Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2010

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, 2010**

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INTRODUCTORY SECTION



December 17, 2010

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, 2010. 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.

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 Department building modifications, Freighthouse restoration, police equipment and technology, sidewalks, recreational non-motorized transportation paths, equipment replacement and repair for parks, tree planting and clean-up of Brownfields. 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, 2010. 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 20,917. 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. Annual events and festivals, all contribute to the City of Ypsilanti's "small town" sense of community.

The City has operated under the council-manager form of government since 1947. The City Council is comprised of the mayor and six members, who are elected by ward, 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, 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. 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.

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 receive the rental fees in excess of costs for services provided by the City. In addition, there are neighborhoods, churches, schools, and other organizations that assist in providing 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, Orphan Car Show, 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 Economy

Local unemployment is at 9.9% percent, and has been consistently at or below the state average (currently 13.0 percent) and above the national average of 9.6 percent. As the State of Michigan adapts 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 Ypsilanti's downtown Central Business District.

The City of Ypsilanti has a population of 19,201 in 2010 according to SEMCOG estimates. This is a decline from the census of 2000, which showed a population of 22,237.

The City's (state equalized value) has decreased -1.3% over the last ten years. The City's total equalized value of taxable property for 2010 was \$353 million, a decrease over the prior year of \$58 million, or roughly 14%

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 employees (FTE's) and this number has declined to 91.75 FTE's for fiscal 2010.

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 improving K-12 educational opportunities. Investment continues in the downtown with the renovation of second floor apartments and façades as well as the opening of several first floor retail businesses. However, the City's tax base is eroding as the aggregate 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 fortunately for the City, Angstrom USA, LLC. has purchased the property.

Our 38-acre redevelopment project, Water Street, bounded by Michigan Avenue on the north and the Huron River on the south and west continues to face formidable challenges due to the economy. The City successfully received three Environmental Protection Agency clean-up grants for a total of \$600,000 that is being 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 was to be paid for by capturing tax increment financing from new development, but the City will now use fund balance. The undesignated general fund balance for fiscal year 2010, is \$2,436,793, which is 19.15% of 2009-10 general fund 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

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

Beyond the Water Street project, staff implemented the city's tax abatement policy, which allowed owners of buildings in downtown and on West Cross Street to redevelop these properties into first floor commercial and upper story residential units. Staff is also 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 Middle Mansfield and College Place streets. New water main was also installed under Mansfield. The cost of new water main construction was approximately \$300,000.

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 (for businesses wanting to locate near Detroit Metro and Willow Run Airports) in the respective communities by creating a cooperative development strategy for time sensitive manufacturing, e-commerce fulfillment, telecommunications and logistics industries, as well as offices for business people who travel frequently by air.

The City is also working with various partners to improve transportation options in the City. The Planning Department completed 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 bisecting Ypsilanti. Staff is also working with SEMCOG and AATA on planning 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. Reliable mass transit is an important facet of community life and the City Council agreed to place on the November 2010 ballot a charter amendment proposal to dedicate funding for bus service in the city.

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 assist in both neighborhood stabilization and commercial redevelopment efforts.

The City has responded to the growing number of vacant and dangerous buildings by implementing an ordinance which resulted in the demolition of several unsafe structures, as well as the renovations of several others. Fifty-five properties were targeted; 21 have been demolished and 13 remodeled.

The City completed 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 City continues to promote entrepreneurs. Currently, the City is host to both Spark East, a business incubator, and SPUR, an arts incubator.

The City received a grant from the Michigan Municipal League that focuses on providing assistance in building a culture of entrepreneurship. The City will be utilizing these grant funds in collaboration with Growing Hope. The focus of this grant will be to assist local vendors who participate in the Farmers Market. Because the profile of the current and prospective vendors includes many low-income and minority producers and entrepreneurs, and their market prioritizes making space for non-traditional growers (backyard vendors, nonprofit programs, et al), they are well positioned to help strengthen and grow a diverse generation of farmers. Having also played a role in helping the Cottage Food Industry bill become law, Growing Hope is also well-suited to help their existing and new vendors build their capacity to add new products to strengthen their business, made possible under this change in regulation. The focus will be to build capacity of low-income vendors at the Downtown Ypsilanti Farmers Market and creating educational opportunities for current and potential vendors.

A city-wide Open House promoted living in the city, and was sponsored by the City, Ypsilanti School district, local realtors and Eastern Michigan University featuring 30 houses located in the city.

Major Initiatives for the Future

The City of Ypsilanti and Ypsilanti Township are exploring the concept of creating a Police Authority. If successful, the Ypsilanti Police Department would dissolve and this authority would provide police services to both communities.

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 and Pittsfield, have expressed an interest in participating and negotiations continue towards 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 Cross Street beyond the streetscape project is also planned for the future, as well as the reconstruction of the Factory Street Bridge.

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, 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

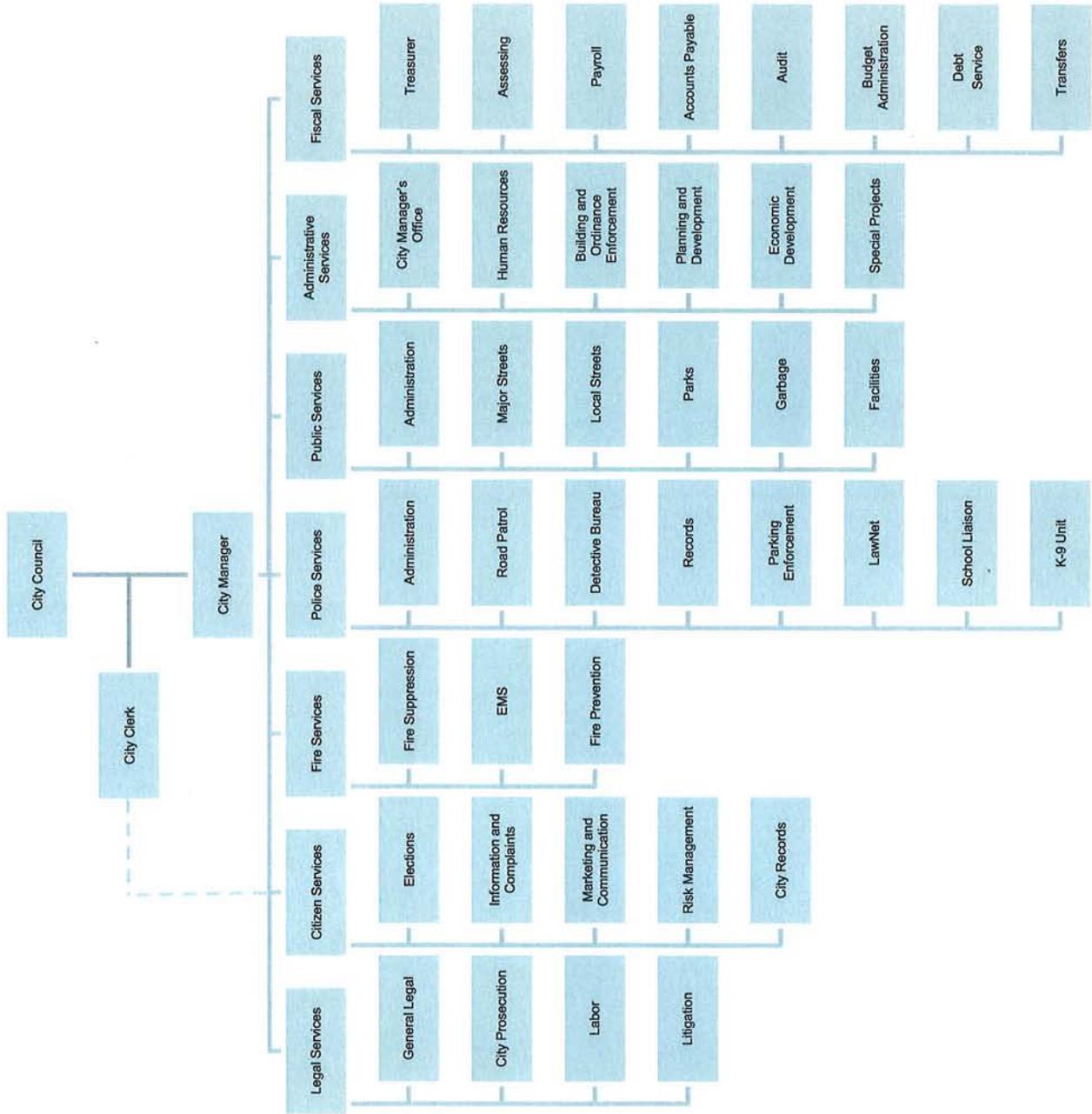
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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.



President

Executive Director



CITY OF YPSILANTI, MICHIGAN
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2010
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
Chief of Police..... Amy Walker
Fire Chief..... Jon Ichesco
Accounting Supervisor Sallee Tisch
City Assessor..... Sharon Doom
City Treasurer..... Kimberly D. Teamer

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

December 17, 2010

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, 2010, 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, 2010, 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 17, 2010 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.

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, 2010. 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, 2010.

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$19,761,550 (*net assets*). This amount is net of a deficit of \$6,202,344 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 \$642,225.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$21,390,083, an increase of \$353,387 in comparison with the prior year. Approximately 70 percent of this total amount, or \$14,880,974, 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 \$2,436,793 or 17.152% of total general fund expenditures and other financing uses.
- The City's total bonded debt decreased by a new amount of \$2,493,599 during the current fiscal year; \$87,401 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 and the land revolving capital projects fund, which are considered to be major funds. Data from the other 30 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major 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 15-20 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 21-23 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 24-25 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 28-54 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 a schedule concerning the City's progress in funding its obligation to provide pension benefits to its police and fire employees, pension benefits to employees participating in the MERS plan, and other postemployment benefits. Required supplementary information can be found on pages 55-57 of this report.

The combined statements referred to earlier in connection with nonmajor, internal service and fiduciary funds are presented immediately following the required supplementary information. Combined and individual fund financial statements and schedules can be found on pages 58-84 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 \$19,761,550 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 2010 and compared to the prior fiscal year):

City of Ypsilanti's Net Assets

	Governmental activities	
	2010	2009
Current and other assets	\$ 60,311,269	\$ 61,548,900
Capital assets	25,392,983	26,674,609
Total assets	<u>85,704,252</u>	<u>88,223,509</u>
Long-term liabilities outstanding	63,226,707	65,815,103
Other liabilities	2,715,995	3,289,081
Total liabilities	<u>65,942,702</u>	<u>69,104,184</u>
Net assets:		
Invested in capital assets, net		
of related debt	14,987,983	15,117,105
Restricted	10,975,911	10,616,072
Unrestricted (deficit)	<u>(6,202,344)</u>	<u>(6,613,852)</u>
Total net assets	<u>\$ 19,761,550</u>	<u>\$ 19,119,325</u>

By far the largest portion of the City's net assets (75.84% or \$14,987,983) 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.

Additionally, a portion of the City's net assets (61.80% or \$10,975,911) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (a deficit of \$6,202,344) 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 3.36% from the prior year. This increase resulted from a number of factors. Solar panels were added to City Hall to demonstrate the viability of solar energy in the Ypsilanti area. In addition, the City began installing electrical upgrades in the garage of Public Services, which will minimize the effect of power surges and allow the mechanics to perform a broader range of maintenance and repairs. A ladies locker room and bathroom were added at the Fire Department to provide gender equity in compliance with the City's Human Rights Ordinance. Facility improvements were made at Parkridge Community Center, Rutherford Pool, and the Freighthouse, utilizing CDBG and ARRA funds.

These and other capital purchase were more than offset by depreciation as the City slowed capital purchases to remain fiscally responsible. The decrease in long-term accounts receivable from the water and sewer surcharges needed for future revenue bond payments were offset by the decrease in long-term debt which reflects water and sewer bond payments made during the current fiscal year. Other bond payments further reduced long-term liabilities resulting in the net increase in total net assets.

City of Ypsilanti's Changes in Net Assets

	Governmental activities	
	2010	2009
Revenue:		
Program revenue:		
Charges for services	\$ 2,114,741	\$ 2,395,020
Operating grants and contributions	3,825,594	3,734,396
Capital grants and contributions	1,215,405	94,250
General revenue:		
Property taxes	11,417,456	12,098,938
Grants and contributions not restricted to specific programs	2,671,507	3,000,840
Other	169,291	817,091
Total revenue	<u>21,413,994</u>	<u>22,140,535</u>
Expenses:		
General government	3,075,617	2,788,130
Public safety	8,638,877	8,563,993
Public works	2,031,833	1,935,048
Highways, streets and bridges	3,612,341	3,165,639
Culture and recreation	435,711	465,538
Community development	229,274	330,041
Interest on long-term debt	2,748,116	2,710,134
Total expenses	<u>20,771,769</u>	<u>19,958,523</u>
Change in net assets	642,225	2,182,012
Net assets - beginning of year	<u>19,119,325</u>	<u>16,937,313</u>
Net assets - end of year	<u>\$ 19,761,550</u>	<u>\$ 19,119,325</u>

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 \$21,390,083, an increase of \$353,387 in comparison with the prior year. Approximately 70% of this total amount (or \$14,880,974) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. Of this amount, City Council has designated \$7,130,548 for the uses specified in Note 3-1. The remainder of fund balance (or \$6,509,109) 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, for unapplied tax collections for pensions, 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 \$2,436,793, while total fund balance was \$9,463,956. 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 17% of total general fund expenditures and other financing uses. Overall, the fund balance of the general fund decreased by \$4,661 for the year, which was \$32,614 more of a decrease than budgeted.

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

- Total general fund revenue was down about 9% (or \$1,404,749) compared to the prior fiscal year. Most of the City's operating revenue is provided by property taxes that were about 6% (or \$577,122) higher last fiscal year due to a tax tribunal settlement. State shared revenue decreased about 11% (or \$330,226) from the previous year, continuing the annual reductions which began in 2001.
- The City purchased and installed new integrated financial software during the fiscal year. This software gives each department access to financial information, the ability to track project costs, and the ability to view payroll information for their own department whenever they need to. In addition, the Human Resources module will allow us to organize data in one place electronically. Additional building improvements to Parkridge Community Center and the Rutherford Pool were carried out with CDBG grant funds passed-through Washtenaw County. The City also received CDBG funds for use to install curb cuts to improve handicap accessibility.
- The City's Police Department received a COPS grant, which helped pay wages and fringes for two officers. The Police Department also received a Department of Justice Lawnet Conspiracy Continuation Project grant used to assist with drug control. CDBG grants passed-through from Washtenaw County were used to remodel Parkridge Community Center and upgrade the Rutherford Pool.

- The City collaborated with Washtenaw County’s Sheriff Department to move the dispatchers to the County and consolidated the fire and police dispatch service.
- 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 made a transfer of \$534,392 to the 2006 Water Street debt service fund and the City Council set aside \$4.68 million of fund balance toward the future debt payments for the Water Street project, for which debt principal first come due starting in fiscal year 2010-2011.

The land revolving fund had an ending fund balance of \$2,116,139, which was substantially reserved for land held for resale, except for \$61,011 of unreserved, undesignated fund balance. The fund had an increase in fund balance of \$12,928 from the release of escrow for the 103 S. River Street property.

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 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 2010, the City had \$25,392,983 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 types of equipment.

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

	Governmental activities	
	2010	2009
Land	\$ 760,443	\$ 760,443
Infrastructure	18,899,118	19,625,821
Buildings and improvements	3,647,190	3,628,945
Vehicles and equipment	1,861,749	2,187,475
Construction in progress	224,483	471,925
Total	\$ 25,392,983	\$ 26,674,609

Major capital asset events during the current fiscal year included:

- Purchase of new financial software including general ledger, accounts receivable, capital assets, project accounting, human resources, cash receipts, and related modules.
- Added solar panels to City Hall with pass-through grant money.
- Added a women’s bathroom and shower to the fire department providing gender equity.
- Replaced one police Cruiser and installed a K-9 cabinet in the vehicle used for the K-9 unit.
- Completed improvements to the LeForge Bridge and continued road improvements on Mansfield Street.
- Additional improvements were made to the Parkridge Center facility, the pool and the DPS garage.
- Continued sidewalk ramp replacement program throughout the city limits.
- Freighthouse historic preservation.
- Road reconstruction of North Mansfield between Westmooreland and Washtenaw.
- Repaved South Mansfield Business Park between Michigan Avenue and city limits.

Additional information on the City’s capital assets can be found in Note 3-D. on pages 39-40 of this report.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$59,082,955. Of this amount, \$25,805,000 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	
	2010	2009
General obligation bonds	\$ 25,805,000	\$ 26,800,000
Revenue bonds	33,277,955	34,776,554
Total	\$ 59,082,955	\$ 61,576,554

The City has an A rating from Standard & Poor's on its 2010 unlimited tax general obligation refunding bonds dated June 30, 2010. 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 42-46 of this report.

Economic Factors and Next Year's Budgets and Rates

The City's spending budget for all funds for next fiscal year is about \$1,731,460 less than the current year amended budget, which includes \$444,288 and \$62,839 of fund balance that will be used for major and local street reconstruction respectively. Revenues are budgeted to be about \$1,314,582 lower. The City is expecting a significant decrease in property tax revenue of \$891,335 for the 2010-11 fiscal year mainly due to the approximate 11% decline in assessed property values. The City continued to seek cost savings resulting in a reduction of full time employees from 104.15 to 91.38 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, 2010

	Primary Government	Component
	Governmental Activities	Units
Assets		
Cash and cash equivalents	\$ 18,645,092	\$ 985,889
Investments	3,552,571	-
Receivables	32,106,998	30,000
Prepaid items and other assets	5,691,584	-
Other noncurrent assets - other post-employment benefits assets	315,024	-
Capital assets not being depreciated	984,926	53,200
Capital assets being depreciated, net	24,408,057	2,271,642
Total assets	85,704,252	3,340,731
Liabilities		
Accounts payable and accrued expenses	2,581,721	51,732
Due to other governments	-	84,389
Unearned revenue	134,274	15,300
Long-term liabilities:		
Due within one year	3,797,268	118,652
Due in more than one year	59,429,439	1,113,271
Total liabilities	65,942,702	1,383,344
Net assets		
Invested in capital assets, net of related debt	14,987,983	1,096,400
Restricted for:		
Debt service	3,327,059	-
Capital projects	5,685,968	10,495
Highways and streets	1,962,884	-
Unrestricted (deficit)	(6,202,344)	850,492
Total net assets	\$ 19,761,550	\$ 1,957,387

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

CITY OF YPSILANTI, MICHIGAN
Statement of Activities
For the Year Ended June 30, 2010

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
Primary government					
Governmental activities:					
General government	\$ 3,075,617	\$ 1,153,950	\$ 162,876	\$ 77,892	\$ (1,680,899)
Public safety	8,638,877	959,591	371,376	32,186	(7,275,724)
Public works	2,031,833	-	-	-	(2,031,833)
Highways, streets and bridges	3,612,341	-	1,355,196	1,105,327	(1,151,818)
Culture and recreation	435,711	-	81,169	-	(354,542)
Community development	229,274	1,200	-	-	(228,074)
Interest on long-term debt	2,748,116	-	1,854,977	-	(893,139)
Total governmental activities	<u>\$ 20,771,769</u>	<u>\$ 2,114,741</u>	<u>\$ 3,825,594</u>	<u>\$ 1,215,405</u>	<u>\$ (13,616,029)</u>
Component units					
Community/economic development	<u>\$ 495,143</u>	<u>\$ -</u>	<u>\$ 66,449</u>	<u>\$ -</u>	<u>\$ (428,694)</u>

continued...

CITY OF YPSILANTI, MICHIGAN
Statement of Activities (Concluded)
For the Year Ended June 30, 2010

	Primary Governmental Activities	Component Units
Changes in net assets		
Net expense	\$ (13,616,029)	\$ (428,694)
General revenues:		
Property taxes	11,417,456	534,080
Grants and contributions not restricted to specific programs	2,671,507	-
Unrestricted investment earnings	169,291	5,773
Total general revenues	14,258,254	539,853
Change in net assets	642,225	111,159
Net assets, beginning of year	19,119,325	1,846,228
Net assets, end of year	\$ 19,761,550	\$ 1,957,387

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

FUND FINANCIAL STATEMENTS

CITY OF YPSILANTI, MICHIGAN
Balance Sheet
Governmental Funds
June 30, 2010

	<u>General</u>	<u>Land Revolving</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 7,146,252	\$ -	\$ 7,057,950	\$ 14,204,202
Investments	1,887,776	-	4,024	1,891,800
Accounts receivable	191,131	-	41,451	232,582
Land held for resale	-	2,055,128	2,700,608	4,755,736
Special assessments receivable	40,088	-	-	40,088
Due from other governments	623,345	412,055	275,715	1,311,115
Interfund receivable	32,078	-	-	32,078
Prepaid items	116,429	-	8,081	124,510
Inventory	89,746	-	-	89,746
	<u>\$ 10,126,845</u>	<u>\$ 2,467,183</u>	<u>\$ 10,087,829</u>	<u>\$ 22,681,857</u>
<u>TOTAL ASSETS</u>				
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 109,983	\$ 150,558	\$ 230,925	\$ 491,466
Accrued liabilities	327,786	-	10,642	338,428
Due to other governments	68,426	-	-	68,426
Tax refunds payable	6,277	-	1,859	8,136
Interfund payable	-	32,078	-	32,078
Deferred revenue	150,417	168,408	34,415	353,240
	<u>662,889</u>	<u>351,044</u>	<u>277,841</u>	<u>1,291,774</u>
Fund balances				
Reserved for:				
Prepaid items	116,429	-	8,081	124,510
Inventory	89,746	-	-	89,746
Land held for resale	-	2,055,128	2,700,608	4,755,736
Debt service	-	-	1,539,117	1,539,117
Unreserved:				
Designated (Note 3-I)	6,820,988	-	-	6,820,988
Undesignated	2,436,793	61,011	-	2,497,804
Designated for subsequent year:				
Special revenue funds	-	-	309,560	309,560
Undesignated, reported in nonmajor:				
Special revenue funds	-	-	2,603,540	2,603,540
Debt service funds	-	-	1,787,942	1,787,942
Capital projects funds	-	-	861,140	861,140
Total fund balances	<u>9,463,956</u>	<u>2,116,139</u>	<u>9,809,988</u>	<u>21,390,083</u>
	<u>\$ 10,126,845</u>	<u>\$ 2,467,183</u>	<u>\$ 10,087,829</u>	<u>\$ 22,681,857</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, 2010

Fund balances - total governmental funds	\$	21,390,083
<p>Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:</p> <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Add - capital assets		51,723,714
Deduct - accumulated depreciation		(27,923,526)
<p>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.</p>		
		218,966
<p>An internal service fund is used by management to charge the costs of certain equipment usage, insurance and benefits to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.</p>		
Add - net assets of governmental activities accounted for in internal service funds		6,722,761
<p>Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.</p>		
Add - other noncurrent assets - other postemployment benefits		315,024
Deduct - bonds and purchase agreements payable		(62,173,305)
Add - leases receivable from joint venture entity for debt-financed property		30,514,193
Add - unamortized debt issuance costs		665,958
Deduct - accrued interest on bonds payable		(638,916)
Deduct - compensated absences		(1,053,402)
		19,761,550
Net assets of governmental activities	\$	19,761,550

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, 2010

	<u>General</u>	<u>Land Revolving</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes and special assessments	\$ 9,001,885	\$ -	\$ 2,415,571	\$ 11,417,456
Licenses and permits	464,416	-	66,396	530,812
Intergovernmental	3,150,163	486,232	4,243,697	7,880,092
Charges for services	533,974	-	-	533,974
Fines and forfeits	475,530	-	-	475,530
Investment earnings	-	1,302	34,374	35,676
Other revenues	558,925	11,626	146,418	716,969
Total revenues	<u>14,184,893</u>	<u>499,160</u>	<u>6,906,456</u>	<u>21,590,509</u>
Expenditures				
Current:				
General government	1,860,366	-	267,541	2,127,907
Public safety	8,109,898	-	72,883	8,182,781
Public works	626,646	-	285,550	912,196
Refuse collection	-	-	1,078,414	1,078,414
Highways, streets and bridges	-	-	1,540,487	1,540,487
Culture and recreation	448,085	-	9,287	457,372
Community development	-	486,232	58,176	544,408
Public transit	158,967	-	-	158,967
Unallocated employee benefits	964,144	-	-	964,144
Debt service:				
Principal	-	52,500	2,686,004	2,738,504
Interest and fiscal charges	93,318	-	2,611,734	2,705,052
Total expenditures	<u>12,261,424</u>	<u>538,732</u>	<u>8,610,076</u>	<u>21,410,232</u>
Revenues over (under) expenditures	<u>1,923,469</u>	<u>(39,572)</u>	<u>(1,703,620)</u>	<u>180,277</u>
Other financing sources (uses)				
Issuance of bonds	-	-	87,401	87,401
Transfers in	21,655	52,500	2,225,968	2,300,123
Transfers out	(1,949,785)	-	(264,629)	(2,214,414)
Total other financing sources (uses)	<u>(1,928,130)</u>	<u>52,500</u>	<u>2,048,740</u>	<u>173,110</u>
Net changes in fund balances	(4,661)	12,928	345,120	353,387
Fund balances, beginning of year	9,468,617	2,103,211	9,464,868	21,036,696
Fund balances, end of year	<u>\$ 9,463,956</u>	<u>\$ 2,116,139</u>	<u>\$ 9,809,988</u>	<u>\$ 21,390,083</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, 2010

Net change in fund balances - total governmental funds \$ 353,387

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	328,615
Deduct - depreciation expense	(2,341,153)
Add - capital contributions	1,105,327

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	(87,401)
Add - principal payments on long-term liabilities	2,738,504
Deduct - change in leases receivable for debt-financed property	(1,418,275)

An internal service fund is used by management to charge the costs of certain equipment usage, insurance and benefits 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	44,455
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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 noncurrent assets - other postemployment benefits assets	24,537
Deduct - increase in accrued interest payable on bonds	(43,064)
Deduct - increase in the accrual for compensated absences	(62,707)
	(81,234)

Change in net assets of governmental activities	\$ 642,225
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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, 2010

	<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	\$ 8,943,798	\$ 8,951,039	\$ 9,001,885	\$ 50,846
Licenses and permits	562,857	532,249	464,416	(67,833)
Intergovernmental	3,190,640	3,006,421	3,150,163	143,742
Charges for services	414,600	538,261	533,974	(4,287)
Fines and forfeits	355,000	439,000	475,530	36,530
Other revenues	1,339,120	1,185,343	558,925	(626,418)
	<u>14,806,015</u>	<u>14,652,313</u>	<u>14,184,893</u>	<u>(467,420)</u>
Expenditures				
General government:				
City council	111,754	97,284	98,052	768
City manager	209,828	206,181	201,706	(4,475)
Community services	561	561	312	(249)
Elections	75,191	47,060	39,671	(7,389)
Accounting	276,908	276,391	270,158	(6,233)
Assessing	82,605	83,308	81,025	(2,283)
General legal	52,140	52,140	52,140	-
Ordinance prosecution	105,000	105,000	104,998	(2)
Litigation and appeals	140,000	110,000	99,984	(10,016)
Personnel legal	50,000	50,000	33,231	(16,769)
City clerk	159,865	162,132	155,607	(6,525)
Human resources	171,501	149,700	152,345	2,645
Treasurer	197,714	182,074	170,520	(11,554)
Public building maintenance	356,506	329,394	225,621	(103,773)
Planning and development	194,256	202,818	174,996	(27,822)
Total general government	<u>2,183,829</u>	<u>2,054,043</u>	<u>1,860,366</u>	<u>(193,677)</u>
Public safety:				
Police	5,221,168	5,187,260	4,960,758	(226,502)
Fire	2,740,923	2,853,504	2,759,231	(94,273)
Ordinance enforcement	86,300	69,842	51,224	(18,618)
Building inspection	361,386	359,056	338,685	(20,371)
Total public safety	<u>8,409,777</u>	<u>8,469,662</u>	<u>8,109,898</u>	<u>(359,764)</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Over (Under)</u>
Expenditures (Concluded)				
Public works:				
Public works department	\$ 182,891	\$ 183,841	\$ 169,141	\$ (14,700)
Street lighting	460,985	535,000	457,505	(77,495)
Total public works	<u>643,876</u>	<u>718,841</u>	<u>626,646</u>	<u>(92,195)</u>
Parks and recreation	<u>359,920</u>	<u>294,385</u>	<u>448,085</u>	<u>153,700</u>
Public transit	<u>170,589</u>	<u>158,967</u>	<u>158,967</u>	<u>-</u>
Unallocated employee benefits	<u>1,131,093</u>	<u>996,961</u>	<u>964,144</u>	<u>(32,817)</u>
Debt service:				
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>93,318</u>	<u>93,318</u>
Total expenditures	<u>12,899,084</u>	<u>12,692,859</u>	<u>12,261,424</u>	<u>(431,435)</u>
Revenues over expenditures	<u>1,906,931</u>	<u>1,959,454</u>	<u>1,923,469</u>	<u>(35,985)</u>
Other financing sources (uses)				
Transfers in	36,000	6,000	21,655	15,655
Transfers out	<u>(1,942,931)</u>	<u>(1,937,501)</u>	<u>(1,949,785)</u>	<u>(12,284)</u>
Total other financing uses	<u>(1,906,931)</u>	<u>(1,931,501)</u>	<u>(1,928,130)</u>	<u>3,371</u>
Net changes in fund balance	-	27,953	(4,661)	(32,614)
Fund balance, beginning of year	<u>9,468,617</u>	<u>9,468,617</u>	<u>9,468,617</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 9,468,617</u></u>	<u><u>\$ 9,496,570</u></u>	<u><u>\$ 9,463,956</u></u>	<u><u>\$ (32,614)</u></u>

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

CITY OF YPSILANTI, MICHIGAN
Statement of Net Assets
Proprietary Funds - Internal Service Funds
June 30, 2010

Assets

Current assets:

Cash and cash equivalents	\$ 4,440,890
Investments	1,660,771
Accounts receivable	9,020
Inventory	16,307
Prepaid items	39,327
	39,327

Total current assets	6,166,315
----------------------	-----------

Noncurrent assets - capital assets, net	1,592,795
	1,592,795

Total assets	7,759,110
	7,759,110

Liabilities

Current liabilities:

Accounts payable and accrued liabilities	397,349
Current portion of claims payable	255,600
	255,600

Total current liabilities	652,949
---------------------------	---------

Noncurrent liabilities - claims payable, net	383,400
	383,400

Total liabilities	1,036,349
	1,036,349

Net assets

Invested in capital assets	1,592,795
Unrestricted	5,129,966
	5,129,966

Total net assets	\$ 6,722,761
	\$ 6,722,761

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, 2010

Operating revenues	
Charges for services	<u>\$ 2,388,586</u>
Operating expenses	
Salaries, taxes and benefits	195,416
Gas, oil and fuel	106,455
Depreciation	416,565
Operation and maintenance	157,984
Contractual services and fees	183,161
Insurance and other	62,767
Benefits and claims	<u>1,281,817</u>
Total operating expenses	<u>2,404,165</u>
Operating loss	<u>(15,579)</u>
Nonoperating revenues	
Interest income	137,538
Gain on sale of equipment	<u>8,205</u>
Total nonoperating revenues	<u>145,743</u>
Income before transfers	130,164
Transfers out	<u>(85,709)</u>
Change in net assets	44,455
Net assets, beginning of year	<u>6,678,306</u>
Net assets, end of year	<u><u>\$ 6,722,761</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, 2010

	Total
Cash flows from operating activities	
Cash received from interfund services	\$ 2,381,625
Cash payments to employees	(195,416)
Cash payments for claims	(1,565,588)
Cash payments to suppliers for goods and services	(580,692)
Net cash provided by operating activities	39,929
 Cash flows from noncapital financing activities	
Transfer to other funds	(85,709)
 Cash flows from capital and related financing activities	
Purchase of capital assets	(42,149)
Proceeds from sale of capital assets	8,205
Net cash used by capital and related financing activities	(33,944)
 Cash flows from investing activities	
Purchase of investments	(1,383,988)
Investment income	137,538
Net cash used on investing activities	(1,246,450)
Net decrease in cash and cash equivalents	(1,326,174)
Cash and cash equivalents, beginning of year	5,767,064
Cash and cash equivalents, end of year	\$ 4,440,890
 Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	\$ (15,579)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	416,565
Changes in assets and liabilities:	
Accounts receivable	(6,961)
Inventory	8,704
Prepaid items	11,934
Accounts payable and accrued liabilities	(374,734)
Net cash provided by operating activities	\$ 39,929

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

CITY OF YPSILANTI, MICHIGAN
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	<u>Police and Fire Retirement System Trust</u>	<u>Current Tax Agency Fund</u>
Assets		
Cash and cash equivalents	\$ 2,391,277	\$ 109,258
Investments:		
U.S. agencies	3,082,262	-
Foreign government bonds	23,434	-
Corporate bonds	4,525,509	-
Bond mutual fund	5,536,551	-
Domestic equities	9,608,831	-
International equities	593,371	-
Real estate investment trusts	438,569	-
Money market accounts	854,395	-
Accrued interest receivable	<u>601</u>	<u>-</u>
Total assets	27,054,800	<u><u>\$ 109,258</u></u>
Liabilities		
Undistributed receipts	-	109,258
Accounts payable	<u>167,274</u>	<u>-</u>
Total liabilities	<u>167,274</u>	<u><u>\$ 109,258</u></u>
Net assets		
Held in trust for pension benefits	<u><u>\$ 26,887,526</u></u>	

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, 2010

Additions

Investment income:

Net appreciation in fair value of investments	\$ 2,416,368
Interest and dividends	861,073
Less investment management fees	<u>(89,321)</u>
Total investment income	<u>3,188,120</u>

Contributions:

City of Ypsilanti	968,212
Participants	<u>386,087</u>
Total contributions	<u>1,354,299</u>

Total additions	<u>4,542,419</u>
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Deductions

Participant benefits	2,324,626
Participant refunds	635,395
Administrative expenses	<u>53,272</u>
Total deductions	<u>3,013,293</u>

Net additions to net assets held in trust for benefits	1,529,126
--	-----------

Net assets held in trust for pension benefits, beginning of year	<u>25,358,400</u>
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Net assets held in trust for pension benefits, end of year	<u><u>\$ 26,887,526</u></u>
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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, 2010

	Downtown Development Authority	Depot Town Downtown Development Authority	Economic Development Corporation	Brownfield Redevelopment Authority	Totals
Assets					
Cash and cash equivalents	\$ 350,557	\$ 365,420	\$ 210,936	\$ 58,976	\$ 985,889
Accounts receivable	30,000	-	-	-	30,000
Capital assets not being depreciated	-	-	53,200	-	53,200
Capital assets being depreciated, net	2,166,992	104,650	-	-	2,271,642
Total assets	2,547,549	470,070	264,136	58,976	3,340,731
Liabilities					
Accounts payable	5,226	3,122	-	28,311	36,659
Accrued liabilities	15,042	31	-	-	15,073
Due to other governments	365	11,860	72,164	-	84,389
Unearned revenues	-	-	-	15,300	15,300
Long-term liabilities:					
Due within one year	102,712	15,940	-	-	118,652
Due in more than one year	1,035,000	78,271	-	-	1,113,271
Total liabilities	1,158,345	109,224	72,164	43,611	1,383,344
Net assets					
Invested in capital assets, net of related debt	1,031,992	11,208	53,200	-	1,096,400
Restricted for capital projects	10,495	-	-	-	10,495
Unrestricted	346,717	349,638	138,772	15,365	850,492
Total net assets	\$ 1,389,204	\$ 360,846	\$ 191,972	\$ 15,365	\$ 1,957,387

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, 2010

	<u>Downtown Development Authority</u>	<u>Depot Town Downtown Development Authority</u>	<u>Economic Development Corporation</u>	<u>Brownfield Redevelopment Authority</u>	<u>Totals</u>
Expenses					
Community / economic development	\$ 391,825	\$ 72,699	\$ 1,639	\$ 28,980	\$ 495,143
Program revenues					
Operating grants and contributions	66,449	-	-	-	66,449
Net program expense	<u>(325,376)</u>	<u>(72,699)</u>	<u>(1,639)</u>	<u>(28,980)</u>	<u>(428,694)</u>
General revenues					
Property taxes	363,968	141,801	-	28,311	534,080
Unrestricted investment earnings	<u>1,606</u>	<u>2,233</u>	<u>1,672</u>	<u>262</u>	<u>5,773</u>
Total general revenues	<u>365,574</u>	<u>144,034</u>	<u>1,672</u>	<u>28,573</u>	<u>539,853</u>
Change in net assets	40,198	71,335	33	(407)	111,159
Net assets, beginning of year	<u>1,349,006</u>	<u>289,511</u>	<u>191,939</u>	<u>15,772</u>	<u>1,846,228</u>
Net assets, end of year	<u>\$ 1,389,204</u>	<u>\$ 360,846</u>	<u>\$ 191,972</u>	<u>\$ 15,365</u>	<u>\$ 1,957,387</u>

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 on the primary government and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. As a general rule the effect of interfund activity has been removed from the government-wide financial statements, except for payments-in-lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various applicable functions. Although government-wide financial 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 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.

Additionally, the City reports the following fund types:

Special revenue funds account for revenue sources that are legally restricted to expenditures for specific purposes not including major capital projects.

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

Capital projects funds account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

City of Ypsilanti, Michigan

Notes To Financial Statements

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.

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 it is 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.

City of Ypsilanti, Michigan

Notes To Financial Statements

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.

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.

Inventory, 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, 2010, the City did not incur expenditures in excess of the amounts appropriated at the legal level of budgetary control.

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

Current year building permit revenue	\$ 256,946
Less related expenditures:	
Direct costs	336,384
Estimated indirect costs	<u>30,579</u>
Current year shortfall	(110,017)
Cumulative shortfall, beginning of year	<u>(411,710)</u>
Cumulative shortfall, end of year	<u><u>\$ (521,727)</u></u>

City of Ypsilanti, Michigan

Notes To Financial Statements

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, 2010:

	Primary Government	Component Units	Total
Statement of net assets			
Cash and cash equivalents	\$ 18,645,092	\$ 985,889	\$ 19,630,981
Investments	3,552,571	-	3,552,571
Statement of fiduciary net assets			
Cash and cash equivalents:			
Pension trust fund	2,391,277	-	2,391,277
Agency fund	109,258	-	109,258
Investments - pension trust fund	24,662,922	-	24,662,922
	\$ 49,361,120	\$ 985,889	\$ 50,347,009
Deposits and investments:			
Bank deposits (checking accounts, savings accounts and certificates of deposit)			\$ 22,123,441
Investments in securities, mutual funds and similar vehicles:			
City investment pool			3,552,571
Pension trust fund			24,662,922
Cash on hand			8,075
Total			\$ 50,347,009

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, 2010, \$19,577,307 of the City's total bank balance of \$22,626,632 (total book balance was \$22,123,441) 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, 2010, 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, 2010, 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, 2010, the investment portfolio of U.S. agencies was concentrated as follows: 94.2% in Government National Mortgage Association and 5.8% in Federal National Mortgage Association. The City's investment policy does not address concentration of credit risk.

Interest Rate Risk. As of June 30, 2010, 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, 2010:

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

U.S. agencies	\$ 3,082,262
Foreign government bonds	23,434
Corporate bonds	4,525,509
Bond mutual fund	5,536,551
Domestic equities	9,608,831
International equities	593,371
Domestic real estate investment trusts	438,569
Money market accounts	854,395

Total investments	\$ 24,662,922
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Credit Risk. As of June 30, 2010, the System's investments in U.S. agencies and domestic corporate bonds were rated by Moody's Investor Services as follows:

Rating	U.S agencies	Corporate
Aaa	\$ 3,082,262	\$ -
Aa2	-	213,766
A1	-	771,144
A2	-	1,643,606
A3	-	367,157
Baa1	-	220,730
Baa2	-	612,268
Baa3	-	445,062
Ba1	-	251,776
	\$ 3,082,262	\$ 4,525,509

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, 2010, 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	6.0%

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, 2010, 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	\$ 3,082,262	\$ -	\$ -	\$ 90,540	\$ 2,991,722
Corporate bonds	4,525,509	719,206	1,088,540	1,595,688	1,122,075
	<u>\$ 7,607,771</u>	<u>\$ 719,206</u>	<u>\$ 1,088,540</u>	<u>\$ 1,686,228</u>	<u>\$ 4,113,797</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	\$ 23,434
International equities		
Cayman Islands	Cayman Island dollar	41,149
Hong Kong	Hong Kong dollar	68,068
Ireland	European euro	225,002
Netherlands	European euro	65,286
Netherlands Antilles	Guilder	60,321
Singapore	Singapore dollar	69,440
Switzerland	Swiss franc	64,105
		<u>593,371</u>
Total		<u>\$ 616,805</u>

The System restricts the amount of investment in foreign currency-denominated investments to 20% of total pension system investment.

3-C. Receivables/Deferred Revenue

Receivables in the governmental activities are 95.0% leases (4.9% of which will be collected in one year), 4.1% due from other governments, .8% accounts receivable, and 0.1% 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	\$ 93,966	\$ -	\$ 93,966
Sale of property (long-term receivable)	125,000	-	125,000
Customer deposits for future services/events	-	134,274	134,274
	\$ 218,966	\$ 134,274	\$ 353,240

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	\$ 760,443	\$ -	\$ -	\$ 760,443
Construction in progress	471,925	1,105,327	(1,352,769)	224,483
	1,232,368	1,105,327	(1,352,769)	984,926
Capital assets being depreciated:				
Infrastructure	36,812,873	1,352,769	-	38,165,642
Buildings and improvements	6,370,550	210,798	-	6,581,348
Vehicles and equipment	7,492,454	159,967	(67,828)	7,584,593
Total capital assets being depreciated	50,675,877	1,723,534	(67,828)	52,331,583
Less accumulated depreciation for:				
Infrastructure	17,187,052	2,079,472	-	19,266,524
Buildings and improvements	2,741,605	192,553	-	2,934,158
Vehicles and equipment	5,304,979	485,693	(67,828)	5,722,844
Total accumulated depreciation	25,233,636	2,757,718	(67,828)	27,923,526
Total capital assets, being depreciated, net	25,442,241	(1,034,184)	-	24,408,057
Governmental activities capital assets, net	\$ 26,674,609	\$ 71,143	\$ (1,352,769)	\$ 25,392,983

City of Ypsilanti, Michigan

Notes To Financial Statements

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

Governmental activities:	
General government	\$ 29,826
Public safety	128,423
Public works	46,527
Highways, streets and bridges	2,049,555
Culture and recreation	86,822
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	416,565
Total depreciation expense - governmental activities	<u><u>\$ 2,757,718</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
Capital assets being depreciated:				
Buildings and improvements	3,464,766	-	-	3,464,766
Less accumulated depreciation for:				
Buildings and improvements	1,130,823	62,301	-	1,193,124
Total capital assets, being depreciated, net	2,333,943	(62,301)	-	2,271,642
Component units capital assets, net	\$ 2,387,143	\$ (62,301)	\$ -	\$ 2,324,842

3-E. Payables

Payables in the governmental activities are 13.1% accrued liabilities, .3% property tax refunds, 24.7% interest, 24.8% claims, 34.4% vendors, and 2.7% 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, \$32,078 was payable to the general fund from the land revolving fund.

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	\$ 21,655	\$ 1,949,785
Land revolving fund	52,500	-
Nonmajor governmental funds	2,225,968	264,629
Internal service funds	-	85,709
	<u>\$ 2,300,123</u>	<u>\$ 2,300,123</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:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2001 capital improvements (paving)	\$ 4,760,000	\$ -	\$ (490,000)	\$ 4,270,000	\$ 520,000
2002 capital improvements	270,000	-	(25,000)	245,000	25,000
2003 capital improvements	6,030,000	-	(480,000)	5,550,000	495,000
2006 remediation of property held for resale and related project	15,740,000	-	-	15,740,000	285,000
	\$26,800,000	\$ -	\$ (995,000)	\$25,805,000	\$1,325,000

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

	Principal	Interest
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	1,755,000	1,090,969
2016-2020	7,365,000	4,216,580
2021-2025	4,035,000	2,621,982
2026-2030	5,440,000	1,453,730
2031	1,295,000	80,290
	\$ 25,805,000	\$ 14,544,928

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, \$87,401 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	\$ 1,110,000	\$ -	\$ (45,000)	\$ 1,065,000	\$ 60,000
2002-A Water & Sewer System	1,310,000	-	(55,000)	1,255,000	70,000
2002-B Water & Sewer System (DWRf)	355,000	-	(25,000)	330,000	25,000
2002-C Water & Sewer System	4,305,000	-	(245,000)	4,060,000	255,000
2003-A Water & Sewer System	3,080,000	-	(525,000)	2,555,000	510,000
2003-B Water & Sewer System	1,390,000	-	(30,000)	1,360,000	40,000
2003-C Water & Sewer System (DWRf)	625,000	-	(35,000)	590,000	35,000
2003-D Water & Sewer System (DWRf)	4,210,000	-	(235,000)	3,975,000	240,000
2004-A Water & Sewer System	2,465,000	-	(60,000)	2,405,000	65,000
2004-B Water & Sewer System (DWRf)	5,270,000	-	(280,000)	4,990,000	285,000
2006 Water & Sewer Refunding Bonds	9,870,000	-	(25,000)	9,845,000	25,000
2007 Water & Sewer System (DWRf)	283,702	-	(10,000)	273,702	10,000
2008 Water & Sewer System (DWRf)	434,253	-	(15,000)	419,253	20,000
2009 Water & Sewer System (DWRf)	68,599	87,401	(1,000)	155,000	5,000
	<u>\$34,776,554</u>	<u>\$ 87,401</u>	<u>\$ (1,586,000)</u>	<u>\$33,277,955</u>	<u>\$1,645,000</u>

DWRf = Drinking Water Revolving Fund (State of Michigan)

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

	Principal	Interest
2011	\$ 1,645,000	\$ 1,152,317
2012	1,695,000	1,096,907
2013	1,765,000	1,042,060
2014	1,820,000	981,718
2015	1,880,000	917,892
2016-2020	9,485,000	3,642,197
2021-2025	10,655,000	1,804,826
2026-2029	4,332,955	255,877
	<u>\$ 33,277,955</u>	<u>\$ 10,893,794</u>

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	\$ 125,000
2000 DPW Office and City Hall	105,004	-	(105,004)	-	-
Biltmore Agreement	392,500	-	(52,500)	340,000	-
	\$ 3,247,854	\$ -	\$ (157,504)	\$ 3,090,350	\$ 125,000

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

	Principal	Interest
2011	\$ 125,000	\$ 54,000
2012	130,000	49,000
2013	140,000	43,800
2014	145,000	38,200
2015	150,000	32,400
2016-2019	2,060,350	67,400
	2,750,350	284,800
Biltmore Agreement	340,000	-
	\$ 3,090,350	\$ 284,800

Repayment of the remaining \$340,000 on the Biltmore Agreement, 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, 2010 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
1994 Downtown Development Limited	\$ 335,000	\$ -	\$ (55,000)	\$ 280,000	\$ 60,000
2004-A Downtown Development Limited	895,000	-	(40,000)	855,000	40,000
	\$ 1,230,000	\$ -	\$ (95,000)	\$ 1,135,000	\$ 100,000

City of Ypsilanti, Michigan

Notes To Financial Statements

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

	Principal	Interest
2011	\$ 100,000	\$ 53,710
2012	110,000	48,450
2013	125,000	42,708
2014	130,000	35,968
2015	55,000	28,948
2016-2020	310,000	110,533
2021-2024	305,000	35,775
	\$ 1,135,000	\$ 356,092

Component unit revenue bonds outstanding at June 30, 2010 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2000 Depot Town Downtown Development	\$ 107,873	\$ -	\$ (14,431)	\$ 93,442	\$ 15,171

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

	Principal	Interest
2011	\$ 15,171	\$ 5,341
2012	16,128	4,417
2013	17,091	3,410
2014	18,157	2,357
2015	19,275	2,357
2016	7,620	1,237
	\$ 93,442	\$ 19,119

City of Ypsilanti, Michigan

Notes To Financial Statements

Changes in Long-Term Debt. Long-term debt activity for the year ended June 30, 2010, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Primary Government</u>					
General obligation bonds	\$ 26,800,000	\$ -	\$ (995,000)	\$ 25,805,000	\$1,325,000
Revenue bonds	34,776,554	87,401	(1,586,000)	33,277,955	1,645,000
Installment obligations	3,247,854	-	(157,504)	3,090,350	125,000
Compensated absences	990,695	894,625	(831,918)	1,053,402	702,268
	<u>\$ 65,815,103</u>	<u>\$ 982,026</u>	<u>\$ (3,570,422)</u>	<u>\$ 63,226,707</u>	<u>\$3,797,268</u>
<u>Component Units</u>					
General obligation bonds	\$ 1,230,000	\$ -	\$ (95,000)	\$ 1,135,000	\$ 100,000
Revenue bonds	107,873	-	(14,431)	93,442	15,171
Compensated absences	3,940	3,140	(3,599)	3,481	3,481
	<u>\$ 1,341,813</u>	<u>\$ 3,140</u>	<u>\$ (113,030)</u>	<u>\$ 1,231,923</u>	<u>\$ 118,652</u>

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, 2010, \$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	\$ 4,687,771
Active employees cumulative benefits	1,055,692
Other debt service	35,149
Capital projects	253,890
Legal defense	75,000
Water Street redevelopment professional fees	75,000
Energy efficiency and conservation project	250,000
Peninsular dam inspection study and repair	100,000
Cops hiring recovery program	192,000
Washington street lot improvements	9,500
Freight house roof repair	86,986
	<u>\$ 6,820,988</u>

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, 2010:

Invested in capital assets, net of related debt:	
Capital assets not being depreciated	\$ 984,926
Capital assets being depreciated, net	24,408,057
General obligation bonds	(25,805,000)
Revenue bonds	(33,277,955)
Installment obligations	(3,090,350)
Add back debt that did not produce City capital assets:	
General obligation bonds	15,740,000
Revenue bonds	33,277,955
Installment obligations	2,750,350
Total invested in capital assets, net of related debt	<u>14,987,983</u>
Restricted for:	
Debt service	3,327,059
Capital projects	5,685,968
Highways and streets	1,962,884
Unrestricted (deficit)	<u>(6,202,344)</u>
	<u><u>\$ 19,761,550</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.

City of Ypsilanti, Michigan

Notes To Financial Statements

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):

	<u>2010</u>	<u>2009</u>
Estimated liability, beginning of year	\$ 639,000	\$ 562,000
Estimated claims incurred, including changes in estimates	63,629	171,902
Claim payments	<u>(63,629)</u>	<u>(94,902)</u>
Estimated liability, end of year	<u>\$ 639,000</u>	<u>\$ 639,000</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 2009 levy was \$370,475,911. The government's general operating tax rate for fiscal 2009-10 was 19.0211 mills plus 2.7814 mills for sanitation, 3.9086 mills for streets and 5.1481 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 128 retirees that were eligible and receiving benefits for the year ended June 30, 2010.

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.

City of Ypsilanti, Michigan

Notes To Financial Statements

For the year ended June 30, 2010, the City paid benefits and made contributions to advance-fund the plan totaling \$1,218,188.

Funding Progress. For the year ended June 30, 2010, the City estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of June 30, 2009. 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 2010, 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
Interest on net OPEB obligation	(23,239)
Adjustment to annual required contribution	<u>23,892</u>
Annual OPEB cost	1,193,651
Contributions made	<u>(1,218,188)</u>
Increase in net OPEB asset	(24,537)
Net OPEB obligation (asset), beginning of year	(290,487)
Net OPEB obligation (asset), end of year	<u><u>\$ (315,024)</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 last two years were as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Asset</u>
6/30/09	\$ 1,192,998	\$ 1,483,485	124.3%	\$ 290,487
6/30/10	1,193,651	1,218,188	102.1%	315,024

City of Ypsilanti, Michigan

Notes To Financial Statements

Funded Status. The funded status of the plan as of June 30, 2009, the date of the latest actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	\$ 12,430,962
Actuarial value of assets	<u>1,414,918</u>
Unfunded AAL (UAAL)	<u><u>\$ 11,016,044</u></u>
Funded ratio	<u><u>11.4%</u></u>
Covered payroll	<u><u>\$ 6,028,949</u></u>
UAAL as % of covered payroll	<u><u>182.7%</u></u>

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

City of Ypsilanti, Michigan

Notes To Financial Statements

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.

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 pension cost (APC) for the year ended June 30, 2010 is \$968,212. The annual pension cost was equal to the City's required and actual contribution 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>
2008	\$ 941,417	100%	\$ -
2009	946,937	100%	-
2010	968,212	100%	-

City of Ypsilanti, Michigan

Notes To Financial Statements

The funded status of the pension portion of the System as of June 30, 2009, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	(1)	\$ 39,453,312	
Actuarial value of assets	(2)	32,472,100	
Unfunded AAL (UAAL)	(3)	\$ 6,981,212	(1) - (2)
Funded ratio	(4)	82.3%	(2) / (1)
Covered payroll	(5)	\$ 3,889,397	
UAAL as % of covered payroll	(6)	179.5%	(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, presents 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.

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, 2009, 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%

City of Ypsilanti, Michigan

Notes To Financial Statements

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, 2010. This was determined as part of an actuarial valuation at December 31, 2008, 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 June 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
2008	\$ 8,187	100%	\$ -
2009	-	-	-
2010	-	-	-

The funded status of the pension portion of the System as of December 31, 2009, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	(1)	\$ 11,686,193	
Actuarial value of assets	(2)	<u>17,576,766</u>	
Unfunded AAL (UAAL)	(3)	<u>\$ (5,890,573)</u>	(1) - (2)
Funded ratio	(4)	<u>150.4%</u>	(2) / (1)
Covered payroll	(5)	<u>\$ 2,566,059</u>	
UAAL as % of covered payroll	(6)	<u>-229.6%</u>	(2) / (5)

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.

City of Ypsilanti, Michigan

Notes To Financial Statements

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, which is reported net of fund balance amounts in the related debt service funds maintained by the City.

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, 2010, 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.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF YPSILANTI, MICHIGAN
Police and Fire Retirement System

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)
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	34,292,073	36,211,916	1,919,843	94.7%	3,957,733	48.5%
2008	32,934,094	37,869,913	4,935,819	87.0%	3,843,177	128.4%
2009	32,472,100	39,453,312	6,981,212	82.3%	3,889,397	179.5%

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%
2010	968,212	968,212	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%	2,393,824	-232.2%
2009	17,576,766	11,686,193	(5,890,573)	150.4%	2,289,154	-257.3%

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	-	-	0.00%
2010	-	-	0.00%

CITY OF YPSILANTI, MICHIGAN
Other Postemployment Health Care Benefits

Required Supplementary Information

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date June 30,	(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)
2009	\$ 1,414,918	\$ 12,430,962	\$ 11,016,044	11.4%	\$ 6,028,949	182.7%

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%
2010	1,192,998	1,218,188	102.11%

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

CITY OF YPSILANTI, MICHIGAN
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	Special Revenue	Debt Service	Capital Projects	Totals
<u>ASSETS</u>				
Cash and cash equivalents	\$ 2,896,343	\$ 1,806,305	\$ 2,355,302	\$ 7,057,950
Investments	4,024	-	-	4,024
Accounts receivable	5,658	-	35,793	41,451
Land held for resale	-	-	2,700,608	2,700,608
Due from other governments	182,300	-	93,415	275,715
Prepaid items	-	-	8,081	8,081
	<u>\$ 3,088,325</u>	<u>\$ 1,806,305</u>	<u>\$ 5,193,199</u>	<u>\$ 10,087,829</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 163,618	\$ 17,469	\$ 49,838	\$ 230,925
Accrued liabilities	10,642	-	-	10,642
Tax refunds payable	965	894	-	1,859
Deferred revenue	-	-	34,415	34,415
	<u>175,225</u>	<u>18,363</u>	<u>84,253</u>	<u>277,841</u>
Fund Balances				
Reserved for:				
Prepays	-	-	8,081	8,081
Land held for resale	-	-	2,700,608	2,700,608
Debt service	-	-	1,539,117	1,539,117
Unreserved:				
Designated for subsequent year	309,560	-	-	309,560
Undesignated	2,603,540	1,787,942	861,140	5,252,622
	<u>2,913,100</u>	<u>1,787,942</u>	<u>5,108,946</u>	<u>9,809,988</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>				
	<u>\$ 3,088,325</u>	<u>\$ 1,806,305</u>	<u>\$ 5,193,199</u>	<u>\$ 10,087,829</u>

CITY OF YPSILANTI, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
Revenues				
Taxes and special assessments	\$ 986,300	\$ 1,423,694	\$ 5,577	\$ 2,415,571
Licenses and permits	9,232	-	57,164	66,396
Intergovernmental	1,297,517	1,301,552	1,644,628	4,243,697
Investment earnings	20,409	1,445	12,520	34,374
Other revenues	113,952	-	32,466	146,418
	<u>2,427,410</u>	<u>2,726,691</u>	<u>1,752,355</u>	<u>6,906,456</u>
Expenditures				
General government	-	-	267,541	267,541
Public safety	12,853	-	60,030	72,883
Public works	-	-	285,550	285,550
Refuse collection	1,078,414	-	-	1,078,414
Highways, streets and bridges	1,540,487	-	-	1,540,487
Culture and recreation	-	-	9,287	9,287
Community development	58,176	-	-	58,176
Debt service:				
Principal	-	1,890,000	796,004	2,686,004
Interest and fiscal charges	-	858,008	1,753,726	2,611,734
	<u>2,689,930</u>	<u>2,748,008</u>	<u>3,172,138</u>	<u>8,610,076</u>
Revenues under expenditures	<u>(262,520)</u>	<u>(21,317)</u>	<u>(1,419,783)</u>	<u>(1,703,620)</u>
Other financing sources (uses)				
Issuance of bonds	-	-	87,401	87,401
Transfers in	1,138,657	36,055	1,051,256	2,225,968
Transfers out	(264,629)	-	-	(264,629)
	<u>874,028</u>	<u>36,055</u>	<u>1,138,657</u>	<u>2,048,740</u>
Net changes in fund balances	611,508	14,738	(281,126)	345,120
Fund balances, beginning of year	<u>2,301,592</u>	<u>1,773,204</u>	<u>5,390,072</u>	<u>9,464,868</u>
Fund balances, end of year	<u><u>\$ 2,913,100</u></u>	<u><u>\$ 1,787,942</u></u>	<u><u>\$ 5,108,946</u></u>	<u><u>\$ 9,809,988</u></u>

CITY OF YPSILANTI, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2010

	<u>Major Streets</u>	<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	\$ 1,475,421	\$ 408,559	\$ 51,573	\$ 12,990	\$ 947,800	\$ 2,896,343
Investments	4,024	-	-	-	-	4,024
Accounts receivable	3,730	1,327	-	-	601	5,658
Due from other governments	136,984	45,316	-	-	-	182,300
<u>TOTAL ASSETS</u>	<u>\$ 1,620,159</u>	<u>\$ 455,202</u>	<u>\$ 51,573</u>	<u>\$ 12,990</u>	<u>\$ 948,401</u>	<u>\$ 3,088,325</u>
 <u>LIABILITIES AND FUND BALANCES</u>						
Liabilities						
Accounts payable	\$ 106,284	\$ 5,972	\$ 50,829	\$ 533	\$ -	\$ 163,618
Accrued liabilities	-	-	-	-	10,642	10,642
Tax refunds payable	-	221	744	-	-	965
Total liabilities	106,284	6,193	51,573	533	10,642	175,225
Fund balances						
Unreserved:						
Designated for subsequent year	309,560	-	-	-	-	309,560
Undesignated	1,204,315	449,009	-	12,457	937,759	2,603,540
Total fund balances	1,513,875	449,009	-	12,457	937,759	2,913,100
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 1,620,159</u>	<u>\$ 455,202</u>	<u>\$ 51,573</u>	<u>\$ 12,990</u>	<u>\$ 948,401</u>	<u>\$ 3,088,325</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, 2010

	<u>Major Streets</u>	<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	\$ -	\$ -	\$ 986,300	\$ -	\$ -	\$ 986,300
Licenses and permits	6,292	2,940	-	-	-	9,232
Intergovernmental	968,229	273,692	-	-	55,596	1,297,517
Investment earnings	7,675	1,837	2,532	6	8,359	20,409
Other revenues	8,734	67,959	3,873	1,200	32,186	113,952
Total revenues	<u>990,930</u>	<u>346,428</u>	<u>992,705</u>	<u>1,206</u>	<u>96,141</u>	<u>2,427,410</u>
Expenditures						
Public safety	-	-	-	-	12,853	12,853
Refuse collection	-	-	1,078,414	-	-	1,078,414
Highways, streets and bridges	1,144,158	396,329	-	-	-	1,540,487
Community development	-	-	-	58,176	-	58,176
Total expenditures	<u>1,144,158</u>	<u>396,329</u>	<u>1,078,414</u>	<u>58,176</u>	<u>12,853</u>	<u>2,689,930</u>
Revenues over (under) expenditures	<u>(153,228)</u>	<u>(49,901)</u>	<u>(85,709)</u>	<u>(56,970)</u>	<u>83,288</u>	<u>(262,520)</u>
Other financing sources (uses)						
Transfers in	811,871	179,777	85,709	61,300	-	1,138,657
Transfers out	<u>(175,220)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(89,409)</u>	<u>(264,629)</u>
Total other financing sources (uses)	<u>636,651</u>	<u>179,777</u>	<u>85,709</u>	<u>61,300</u>	<u>(89,409)</u>	<u>874,028</u>
Net changes in fund balances	483,423	129,876	-	4,330	(6,121)	611,508
Fund balances, beginning of year	<u>1,030,452</u>	<u>319,133</u>	<u>-</u>	<u>8,127</u>	<u>943,880</u>	<u>2,301,592</u>
Fund balances, end of year	<u><u>\$ 1,513,875</u></u>	<u><u>\$ 449,009</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 12,457</u></u>	<u><u>\$ 937,759</u></u>	<u><u>\$ 2,913,100</u></u>

CITY OF YPSILANTI, MICHIGAN
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Major Streets Fund
For the Year Ended June 30, 2010

	<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	\$ 5,000	\$ 6,000	\$ 6,292	\$ 292
Intergovernmental - state	1,247,000	1,016,529	968,229	(48,300)
Investment earnings	24,000	8,000	7,675	(325)
Other revenues	507,199	356,793	8,734	(348,059)
	<u>1,783,199</u>	<u>1,387,322</u>	<u>990,930</u>	<u>(396,392)</u>
Expenditures				
Public works:				
Street construction	1,513,644	696,859	450,605	(246,254)
Routine maintenance	385,354	458,368	374,356	(84,012)
Routine maintenance - bridges	6,000	6,000	5,330	(670)
Traffic services	92,422	105,784	92,425	(13,359)
Winter maintenance	149,500	73,150	71,039	(2,111)
Administration	49,211	45,849	42,225	(3,624)
Trunkline maintenance	135,212	112,837	108,178	(4,659)
	<u>2,331,343</u>	<u>1,498,847</u>	<u>1,144,158</u>	<u>(354,689)</u>
Revenues under expenditures	<u>(548,144)</u>	<u>(111,525)</u>	<u>(153,228)</u>	<u>(41,703)</u>
Other financing sources (uses)				
Transfers in	804,144	804,144	811,871	7,727
Transfers out	(180,000)	(175,220)	(175,220)	-
	<u>624,144</u>	<u>628,924</u>	<u>636,651</u>	<u>7,727</u>
Net changes in fund balance	76,000	517,399	483,423	(33,976)
Fund balance, beginning of year	<u>1,030,452</u>	<u>1,030,452</u>	<u>1,030,452</u>	<u>-</u>
Fund balance, end of year	<u><u>\$1,106,452</u></u>	<u><u>\$1,547,851</u></u>	<u><u>\$ 1,513,875</u></u>	<u><u>\$ (33,976)</u></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, 2010

	<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	\$ 3,200	\$ 2,800	\$ 2,940	\$ 140
Intergovernmental - state	267,000	267,000	273,692	6,692
Investment earnings	2,000	1,500	1,837	337
Other revenues	14,817	67,966	67,959	(7)
	<u>287,017</u>	<u>339,266</u>	<u>346,428</u>	<u>7,162</u>
Expenditures				
Public works:				
Routine maintenance	298,516	315,881	264,995	(50,886)
Traffic services	35,772	38,420	31,619	(6,801)
Winter maintenance	107,696	77,284	74,839	(2,445)
Administration	25,033	25,034	24,876	(158)
	<u>467,017</u>	<u>456,619</u>	<u>396,329</u>	<u>(60,290)</u>
Revenues (under) expenditures	(180,000)	(117,353)	(49,901)	67,452
Other financing sources				
Transfers in	180,000	175,220	179,777	4,557
Net changes in fund balance	-	57,867	129,876	72,009
Fund balance, beginning of year	<u>319,133</u>	<u>319,133</u>	<u>319,133</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 319,133</u></u>	<u><u>\$ 377,000</u></u>	<u><u>\$ 449,009</u></u>	<u><u>\$ 72,009</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, 2010

	<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	\$ 987,508	\$ 962,699	\$ 986,300	\$ 23,601
Investment earnings	3,600	3,000	2,532	(468)
Other revenues	13,000	2,605	3,873	1,268
Total revenues	1,004,108	968,304	992,705	24,401
Expenditures				
Refuse collection	1,240,316	1,133,239	1,078,414	(54,825)
Revenues (under) expenditures	(236,208)	(164,935)	(85,709)	79,226
Other financing sources				
Transfers in	236,208	164,935	85,709	(79,226)
Net changes in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Over (Under)</u>
Revenues				
Investment earnings	\$ -	\$ -	\$ 6	\$ 6
Other revenues	-	1,200	1,200	-
Total revenues	-	1,200	1,206	6
Expenditures				
Community development	125,000	62,500	58,176	(4,324)
Revenues (under) expenditures	(125,000)	(61,300)	(56,970)	4,330
Other financing sources				
Transfers in	125,000	61,300	61,300	-
Net changes in fund balance	-	-	4,330	4,330
Fund balance, beginning of year	8,127	8,127	8,127	-
Fund balance, end of year	<u>\$ 8,127</u>	<u>\$ 8,127</u>	<u>\$ 12,457</u>	<u>\$ 4,330</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, 2010

	<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	\$ 82,000	\$ 60,000	\$ 55,596	\$ (4,404)
Investment earnings	12,096	12,096	8,359	(3,737)
Other revenues	86,344	49,788	32,186	(17,602)
	<u>180,440</u>	<u>121,884</u>	<u>96,141</u>	<u>(25,743)</u>
Expenditures				
Public safety	77,391	54,130	12,853	(41,277)
Revenues over expenditures	103,049	67,754	83,288	15,534
Other financing uses				
Transfers out	(94,949)	(67,754)	(89,409)	(21,655)
Net changes in fund balance	8,100	-	(6,121)	(6,121)
Fund balance, beginning of year	943,880	943,880	943,880	-
Fund balance, end of year	<u>\$ 951,980</u>	<u>\$ 943,880</u>	<u>\$ 937,759</u>	<u>\$ (6,121)</u>

CITY OF YPSILANTI, MICHIGAN
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2010

	<u>2001</u> <u>General</u> <u>Obligation</u> <u>Roads</u>	<u>2001</u> <u>Revenue</u> <u>Bonds</u>	<u>2002-A</u> <u>Revenue</u> <u>Bonds</u>	<u>2002</u> <u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>2002-B</u> <u>Revenue</u> <u>Bonds</u>	<u>2002-C</u> <u>Revenue</u> <u>Bonds</u>	<u>Water</u> <u>Supply</u> <u>and Sewer</u> <u>Refunding</u>	<u>2003</u> <u>Unlimited</u> <u>Tax Bonds</u>	<u>Total</u>
<u>ASSETS</u>									
Cash and cash equivalents	\$ 23,314	\$ 384,934	\$ 438,946	\$ -	\$ 44,839	\$ 608,794	\$ 284,284	\$ 21,194	\$ 1,806,305
<u>LIABILITIES AND FUND BALANCES</u>									
Liabilities									
Accounts payable	\$ -	\$ 3,817	\$ 4,352	\$ -	\$ 445	\$ 6,036	\$ 2,819	\$ -	\$ 17,469
Tax refunds payable	443	-	-	-	-	-	-	451	894
Total liabilities	443	3,817	4,352	-	445	6,036	2,819	451	18,363
Fund balances									
Unreserved, undesignated	22,871	381,117	434,594	-	44,394	602,758	281,465	20,743	1,787,942
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 23,314</u>	<u>\$ 384,934</u>	<u>\$ 438,946</u>	<u>\$ -</u>	<u>\$ 44,839</u>	<u>\$ 608,794</u>	<u>\$ 284,284</u>	<u>\$ 21,194</u>	<u>\$ 1,806,305</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, 2010

	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	\$ 695,603	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 728,091	\$ 1,423,694
Intergovernmental	-	96,247	115,747	-	33,562	426,324	629,672	-	1,301,552
Investment earnings	552	-	-	-	-	-	-	893	1,445
Total revenues	<u>696,155</u>	<u>96,247</u>	<u>115,747</u>	<u>-</u>	<u>33,562</u>	<u>426,324</u>	<u>629,672</u>	<u>728,984</u>	<u>2,726,691</u>
Expenditures									
Debt service:									
Principal	490,000	45,000	55,000	25,000	25,000	245,000	525,000	480,000	1,890,000
Interest and fiscal charges	205,180	51,109	60,609	11,055	8,563	181,200	104,673	235,619	858,008
Total expenditures	<u>695,180</u>	<u>96,109</u>	<u>115,609</u>	<u>36,055</u>	<u>33,563</u>	<u>426,200</u>	<u>629,673</u>	<u>715,619</u>	<u>2,748,008</u>
Revenues over (under) expenditures	975	138	138	(36,055)	(1)	124	(1)	13,365	(21,317)
Other financing sources									
Transfers in	-	-	-	36,055	-	-	-	-	36,055
Net changes in fund balances	975	138	138	-	(1)	124	(1)	13,365	14,738
Fund balances, beginning of year	<u>21,896</u>	<u>380,979</u>	<u>434,456</u>	<u>-</u>	<u>44,395</u>	<u>602,634</u>	<u>281,466</u>	<u>7,378</u>	<u>1,773,204</u>
Fund balances, end of year	<u><u>\$ 22,871</u></u>	<u><u>\$ 381,117</u></u>	<u><u>\$ 434,594</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 44,394</u></u>	<u><u>\$ 602,758</u></u>	<u><u>\$ 281,465</u></u>	<u><u>\$ 20,743</u></u>	<u><u>\$ 1,787,942</u></u>

CITY OF YPSILANTI, MICHIGAN
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2010

	<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	\$ 618,046	\$ 191,632	\$ -	\$ 341,165	\$ 163,657	\$ 433,871	\$ -
Accounts receivable	32,145	-	-	1,155	554	1,471	-
Land held for resale	-	-	44,520	-	-	-	84,445
Due from other governments	34,415	59,000	-	-	-	-	-
Prepaid items	8,081	-	-	-	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 692,687</u>	<u>\$ 250,632</u>	<u>\$ 44,520</u>	<u>\$ 342,320</u>	<u>\$ 164,211</u>	<u>\$ 435,342</u>	<u>\$ 84,445</u>
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities							
Accounts payable	\$ 39,283	\$ 400	\$ -	\$ 3,394	\$ 1,628	\$ 3,752	\$ -
Deferred revenue	34,415	-	-	-	-	-	-
	<u>73,698</u>	<u>400</u>	<u>-</u>	<u>3,394</u>	<u>1,628</u>	<u>3,752</u>	<u>-</u>
Fund balances (deficit)							
Reserved for:							
Prepays	8,081	-	-	-	-	-	-
Land held for resale	-	-	44,520	-	-	-	84,445
Debt service	-	-	-	338,926	162,583	431,590	-
Unreserved, undesignated	610,908	250,232	-	-	-	-	-
Total fund balances	<u>618,989</u>	<u>250,232</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>\$ 692,687</u>	<u>\$ 250,632</u>	<u>\$ 44,520</u>	<u>\$ 342,320</u>	<u>\$ 164,211</u>	<u>\$ 435,342</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>
\$ -	\$ 87,738	\$ 50,531	\$ -	\$ -	\$ 468,662	\$ -	\$ -	\$ -	\$ -	\$ 2,355,302
-	297	171	-	-	-	-	-	-	-	35,793
1,560,116	-	-	80,416	931,111	-	-	-	-	-	2,700,608
-	-	-	-	-	-	-	-	-	-	93,415
-	-	-	-	-	-	-	-	-	-	8,081
<u>\$ 1,560,116</u>	<u>\$ 88,035</u>	<u>\$ 50,702</u>	<u>\$ 80,416</u>	<u>\$ 931,111</u>	<u>\$ 468,662</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,193,199</u>
\$ -	\$ 873	\$ 508	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,838
-	-	-	-	-	-	-	-	-	-	34,415
-	873	508	-	-	-	-	-	-	-	84,253
-	-	-	-	-	-	-	-	-	-	8,081
1,560,116	-	-	80,416	931,111	-	-	-	-	-	2,700,608
-	87,162	50,194	-	-	468,662	-	-	-	-	1,539,117
-	-	-	-	-	-	-	-	-	-	861,140
<u>1,560,116</u>	<u>87,162</u>	<u>50,194</u>	<u>80,416</u>	<u>931,111</u>	<u>468,662</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,108,946</u>
<u>\$ 1,560,116</u>	<u>\$ 88,035</u>	<u>\$ 50,702</u>	<u>\$ 80,416</u>	<u>\$ 931,111</u>	<u>\$ 468,662</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,193,199</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, 2010

	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	\$ -	\$ 5,577	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	57,164	-	-	-	-	-
Intergovernmental	45,885	113,275	-	337,313	159,980	389,013	-
Investment earnings	2,816	1,091	-	-	-	-	-
Other revenues	32,466	-	-	-	-	-	-
Total revenues	81,167	177,107	-	337,313	159,980	389,013	-
Expenditures							
General government	267,541	-	-	-	-	-	-
Public safety	60,030	-	-	-	-	-	-
Public works	-	197,044	-	-	-	-	-
Culture and recreation	9,287	-	-	-	-	-	-
Debt service:							
Principal	105,004	-	-	235,000	60,000	280,000	-
Interest and fiscal charges	4,295	-	-	102,313	99,980	109,013	-
Total expenditures	446,157	197,044	-	337,313	159,980	389,013	-
Revenues over (under) expenditures	(364,990)	(19,937)	-	-	-	-	-
Other financing sources							
Issuance of bonds	-	-	-	-	-	-	-
Transfers in	516,874	-	-	-	-	-	-
Total other financing sources	516,874	-	-	-	-	-	-
Net changes in fund balances	151,884	(19,937)	-	-	-	-	-
Fund balances (deficit), beginning of year	467,105	270,169	44,520	338,926	162,583	431,590	84,445
Fund balances, end of year	\$ 618,989	\$ 250,232	\$ 44,520	\$ 338,926	\$ 162,583	\$ 431,590	\$ 84,445

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,577
-	-	-	-	-	-	-	-	-	-	57,164
-	83,600	50,188	-	-	-	423,838	15,922	25,614	-	1,644,628
-	1	1,100	-	-	5,356	-	-	-	2,156	12,520
-	-	-	-	-	-	-	-	-	-	32,466
-	83,601	51,288	-	-	5,356	423,838	15,922	25,614	2,156	1,752,355
-	-	-	-	-	-	-	-	-	-	267,541
-	-	-	-	-	-	-	-	-	-	60,030
-	-	1,105	-	-	-	-	-	-	87,401	285,550
-	-	-	-	-	-	-	-	-	-	9,287
-	30,000	35,000	-	-	-	25,000	10,000	15,000	1,000	796,004
-	53,488	15,188	-	-	953,019	398,838	5,922	10,614	1,056	1,753,726
-	83,488	51,293	-	-	953,019	423,838	15,922	25,614	89,457	3,172,138
-	113	(5)	-	-	(947,663)	-	-	-	(87,301)	(1,419,783)
-	-	1,106	-	-	-	-	(1,106)	-	87,401	87,401
-	-	-	-	-	534,382	-	-	-	-	1,051,256
-	-	1,106	-	-	534,382	-	(1,106)	-	87,401	1,138,657
-	113	1,101	-	-	(413,281)	-	(1,106)	-	100	(281,126)
1,560,116	87,049	49,093	80,416	931,111	881,943	-	1,106	-	(100)	5,390,072
<u>\$1,560,116</u>	<u>\$ 87,162</u>	<u>\$ 50,194</u>	<u>\$ 80,416</u>	<u>\$931,111</u>	<u>\$ 468,662</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,108,946</u>

CITY OF YPSILANTI, MICHIGAN
Statement of Net Assets
Internal Service Funds
June 30, 2010

	<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	\$ 3,091,105	\$ 600,275	\$ 749,510	\$ 4,440,890
Investments	936,981	723,790	-	1,660,771
Accounts receivable	5,554	-	3,466	9,020
Inventory	16,307	-	-	16,307
Prepaid items	-	187	39,327	39,514
	<u>4,049,947</u>	<u>1,324,252</u>	<u>792,303</u>	<u>6,166,502</u>
Total current assets				
Noncurrent assets - capital assets, net	<u>1,592,795</u>	<u>-</u>	<u>-</u>	<u>1,592,795</u>
Total assets	<u>5,642,742</u>	<u>1,324,252</u>	<u>792,303</u>	<u>7,759,297</u>
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	10,320	-	387,216	397,536
Current portion of claims payable	-	255,600	-	255,600
	<u>10,320</u>	<u>255,600</u>	<u>387,216</u>	<u>653,136</u>
Total current liabilities				
Noncurrent liabilities - claims payable, net	<u>-</u>	<u>383,400</u>	<u>-</u>	<u>383,400</u>
Total liabilities	<u>10,320</u>	<u>639,000</u>	<u>387,216</u>	<u>1,036,536</u>
Net Assets				
Invested in capital assets	1,592,795	-	-	1,592,795
Unrestricted	4,039,627	685,252	405,087	5,129,966
	<u>4,039,627</u>	<u>685,252</u>	<u>405,087</u>	<u>5,129,966</u>
Total net assets	<u>\$ 5,632,422</u>	<u>\$ 685,252</u>	<u>\$ 405,087</u>	<u>\$ 6,722,761</u>

CITY OF YPSILANTI, MICHIGAN
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2010

	<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	\$ 959,399	\$ 109,499	\$ 1,319,688	\$ 2,388,586
Operating expenses				
Salaries, taxes and benefits	173,970	21,446	-	195,416
Gas, oil and fuel	106,455	-	-	106,455
Depreciation	416,565	-	-	416,565
Operation and maintenance	156,413	1,571	-	157,984
Contractual services and fees	108,388	74,773	-	183,161
Insurance and other	62,767	-	-	62,767
Benefits and claims	-	63,629	1,218,188	1,281,817
Total operating expenses	<u>1,024,558</u>	<u>161,419</u>	<u>1,218,188</u>	<u>2,404,165</u>
Operating income (loss)	<u>(65,159)</u>	<u>(51,920)</u>	<u>101,500</u>	<u>(15,579)</u>
Nonoperating revenues				
Investment income	76,057	57,120	4,361	137,538
Gain on sale of equipment	8,205	-	-	8,205
Total nonoperating revenues	<u>84,262</u>	<u>57,120</u>	<u>4,361</u>	<u>145,743</u>
Income before transfers	19,103	5,200	105,861	130,164
Transfers out	<u>(85,709)</u>	<u>-</u>	<u>-</u>	<u>(85,709)</u>
Change in net assets	(66,606)	5,200	105,861	44,455
Net assets, beginning of year	<u>5,699,028</u>	<u>680,052</u>	<u>299,226</u>	<u>6,678,306</u>
Net assets, end of year	<u><u>\$ 5,632,422</u></u>	<u><u>\$ 685,252</u></u>	<u><u>\$ 405,087</u></u>	<u><u>\$ 6,722,761</u></u>

CITY OF YPSILANTI, MICHIGAN
Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2010

	<u>Motor Pool</u>	<u>Workers'</u> <u>Compensation</u>	<u>Retiree</u> <u>Health Care</u> <u>Benefits</u>	<u>Total</u>
Cash flows from operating activities				
Cash received from interfund services	\$ 955,904	\$ 109,499	\$ 1,316,222	\$ 2,381,625
Cash payments to employees	(173,970)	(21,446)	-	(195,416)
Cash payments for claims	-	(63,629)	(1,501,959)	(1,565,588)
Cash payments to suppliers for goods and services	(508,112)	(68,536)	(4,044)	(580,692)
Net cash provided by (used in) operating activities	<u>273,822</u>	<u>(44,112)</u>	<u>(189,781)</u>	<u>39,929</u>
Cash flows from non-capital financing activities				
Transfer to other funds	(85,709)	-	-	(85,709)
Cash flows from capital and related financing activities				
Purchase of capital assets	(42,149)	-	-	(42,149)
Proceeds from sale of capital assets	8,205	-	-	8,205
Net cash used by capital and related financing activities	<u>(33,944)</u>	<u>-</u>	<u>-</u>	<u>(33,944)</u>
Cash flows from investing activities				
Purchase of investments	(921,764)	(462,224)	-	(1,383,988)
Investment income	76,057	57,120	4,361	137,538
Net cash provided by (used in) investing activities	<u>(845,707)</u>	<u>(405,104)</u>	<u>4,361</u>	<u>(1,246,450)</u>
Net change in cash and cash equivalents	(691,538)	(449,216)	(185,420)	(1,326,174)
Cash and cash equivalents, beginning of year	3,782,643	1,049,491	934,930	5,767,064
Cash and cash equivalents, end of year	<u>\$ 3,091,105</u>	<u>\$ 600,275</u>	<u>\$ 749,510</u>	<u>\$ 4,440,890</u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ (65,159)	\$ (51,920)	\$ 101,500	\$ (15,579)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	416,565	-	-	416,565
Changes in assets and liabilities:				
Accounts receivable	(3,495)	-	(3,466)	(6,961)
Inventory	8,704	-	-	8,704
Prepaid items	-	15,978	(4,044)	11,934
Accounts payable and accrued liabilities	(82,793)	(8,170)	(283,771)	(374,734)
Net cash provided by operating activities	<u>\$ 273,822</u>	<u>\$ (44,112)</u>	<u>\$ (189,781)</u>	<u>\$ 39,929</u>

CITY OF YPSILANTI, MICHIGAN
Statement of Changes in Assets and Liabilities
Current Tax Agency Fund
For the Year Ended June 30, 2010

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
Assets				
Cash and cash equivalents	\$ 156,276	\$ 25,487,980	\$ 25,534,998	\$ 109,258
Liabilities				
Undistributed receipts	\$ 156,276	\$ 25,487,980	\$ 25,534,998	\$ 109,258

CITY OF YPSILANTI, MICHIGAN
Statement of Net Assets and
Governmental Funds Balance Sheet
Downtown Development Authority Component Unit
June 30, 2010

	<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	\$ 334,076	\$ 16,481	\$ 350,557	\$ -	\$ 350,557
Accounts receivable	30,000	-	30,000	-	30,000
Capital assets being depreciated, net	-	-	-	2,166,992	2,166,992
Total assets	<u>\$ 364,076</u>	<u>\$ 16,481</u>	<u>\$ 380,557</u>	2,166,992	<u>2,547,549</u>
Liabilities					
Accounts payable / accrued liabilities	\$ 5,226	\$ -	\$ 5,226	-	5,226
Accrued liabilities	9,056	5,986	15,042	-	15,042
Due to other governments	365	-	365	-	365
Long-term liabilities:					
Due within one year	2,712	-	2,712	100,000	102,712
Due in more than one year	-	-	-	1,035,000	1,035,000
Total liabilities	17,359	5,986	23,345	1,135,000	1,158,345
Fund balances / net assets					
Unreserved, undesignated	346,717	10,495	357,212	(357,212)	-
Total liabilities and fund balances	<u>\$ 364,076</u>	<u>\$ 16,481</u>	<u>\$ 380,557</u>		
Net assets:					
Invested in capital assets, net of related debt				1,031,992	1,031,992
Restricted for capital projects				10,495	10,495
Unrestricted				346,717	346,717
Total net assets				<u>\$ 1,389,204</u>	<u>\$ 1,389,204</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, 2010

	Special Revenue Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Expenditures/expenses					
Community development	\$ 212,894	\$ 62,484	\$ 275,378	\$ 58,011	\$ 333,389
Debt service:					
Principal	55,000	40,000	95,000	(95,000)	-
Interest and fiscal charges	21,081	37,355	58,436	-	58,436
Total expenditures/expenses	288,975	139,839	428,814	(36,989)	391,825
Program revenues					
Operating grants and contributions	50,000	16,449	66,449	-	66,449
Net program (expense) revenue	(238,975)	(123,390)	(362,365)	36,989	(325,376)
General revenues					
Property taxes	363,968	-	363,968	-	363,968
Investment earnings	1,467	139	1,606	-	1,606
Total general revenues	365,435	139	365,574	-	365,574
Excess of general revenues over (under) expenditures/expenses	126,460	(123,251)	3,209	36,989	40,198
Other financing sources (uses)					
Transfers in	-	77,355	77,355	(77,355)	-
Transfers out	(77,355)	-	(77,355)	77,355	-
Total other financing sources (uses)	(77,355)	77,355	-	-	-
Net changes in fund balances	49,105	(45,896)	3,209	(3,209)	-
Change in net assets	-	-	-	40,198	40,198
Fund balance/net assets, beginning of year	297,612	56,391	354,003	995,003	1,349,006
Fund balance/net assets, end of year	\$ 346,717	\$ 10,495	\$ 357,212	\$ 1,031,992	\$ 1,389,204

CITY OF YPSILANTI, MICHIGAN
Statement of Net Assets and
Governmental Funds Balance Sheet
Depot Town Downtown Development Authority Component Unit
June 30, 2010

	Special Revenue Fund	Adjustments	Statement of Net Assets
Assets			
Cash and cash equivalents	\$ 365,420	\$ -	\$ 365,420
Capital assets being depreciated, net	-	104,650	104,650
	Total assets	104,650	470,070
Liabilities			
Accounts payable / accrued liabilities	\$ 3,122	-	3,122
Accrued liabilities	31	-	31
Due to other governments	11,860	-	11,860
Long-term liabilities:			
Due within one year	-	15,940	15,940
Due in more than one year	769	77,502	78,271
	Total liabilities	93,442	109,224
Fund balances / net assets			
Unreserved, undesignated	349,638	(349,638)	-
	Total liabilities and fund balances	\$ 365,420	
Net assets:			
Invested in capital assets, net of related debt		11,208	11,208
Unrestricted		349,638	349,638
	Total net assets	\$ 360,846	\$ 360,846

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, 2010

	<u>Special Revenue Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenditures/expenses			
Community development	\$ 66,273	\$ 350	\$ 66,623
Debt service:			
Principal	14,431	(14,431)	-
Interest and fiscal charges	6,076	-	6,076
	<u>86,780</u>	<u>(14,081)</u>	<u>72,699</u>
General revenues			
Property taxes	141,801	-	141,801
Investment earnings	2,233	-	2,233
	<u>144,034</u>	<u>-</u>	<u>144,034</u>
Net changes in fund balances	57,254	(57,254)	-
Change in net assets	-	71,335	71,335
Fund balance/net assets, beginning of year	<u>292,384</u>	<u>(2,873)</u>	<u>289,511</u>
Fund balance/net assets, end of year	<u><u>\$ 349,638</u></u>	<u><u>\$ 11,208</u></u>	<u><u>\$ 360,846</u></u>

CITY OF YPSILANTI, MICHIGAN
Statement of Net Assets and
Governmental Funds Balance Sheet
Economic Development Corporation
June 30, 2010

	<u>Special Revenue Fund</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
Assets			
Cash and cash equivalents	\$ 210,936	\$ -	\$ 210,936
Capital assets not being depreciated	-	53,200	53,200
Total assets	<u>\$ 210,936</u>	<u>53,200</u>	<u>264,136</u>
Liabilities			
Due to other governments	\$ 72,164	-	72,164
Fund balances / net assets			
Unreserved, undesignated	138,772	(138,772)	-
Total liabilities and fund balances	<u>\$ 210,936</u>		
Net assets:			
Invested in capital assets		53,200	53,200
Unrestricted		138,772	138,772
Total net assets		<u>\$ 191,972</u>	<u>\$ 191,972</u>

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, 2010

	<u>Special Revenue Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenditures/expenses			
Community development	\$ 1,639	\$ -	\$ 1,639
General revenues			
Investment earnings	<u>1,672</u>	<u>-</u>	<u>1,672</u>
Net changes in fund balances	33	(33)	-
Change in net assets	-	33	33
Fund balance/net assets, beginning of year	<u>138,739</u>	<u>53,200</u>	<u>191,939</u>
Fund balance/net assets, end of year	<u><u>\$ 138,772</u></u>	<u><u>\$ 53,200</u></u>	<u><u>\$ 191,972</u></u>

CITY OF YPSILANTI, MICHIGAN
Statement of Net Assets and
Governmental Funds Balance Sheet
Brownfield Redevelopment Authority Component Unit
June 30, 2010

	<u>Special Revenue Fund</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
Assets			
Cash and cash equivalents	\$ 58,976	\$ -	\$ 58,976
Liabilities			
Accounts payable / accrued liabilities	\$ 28,311	-	28,311
Unearned revenue	15,300	-	15,300
Total liabilities	43,611	-	43,611
Fund balances / net assets			
Unreserved, undesignated	15,365	(15,365)	-
Total liabilities and fund balances	<u>\$ 58,976</u>		
Unrestricted net assets		<u>\$ 15,365</u>	<u>\$ 15,365</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, 2010

	<u>Special Revenue Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenditures/expenses			
Community development	\$ 28,980	\$ -	\$ 28,980
General revenues			
Property taxes	28,311	-	28,311
Investment earnings	262	-	262
Total general revenues	28,573	-	28,573
Net changes in fund balances	(407)	407	-
Change in net assets	-	(407)	(407)
Fund balance/net assets, beginning of year	15,772	-	15,772
Fund balance/net assets, end of year	<u>\$ 15,365</u>	<u>\$ -</u>	<u>\$ 15,365</u>

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Ypsilanti's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health

Contents	Page
Financial Trends (schedules 1 thru 4)	85
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity (schedules 5 thru 8)	91
<i>These schedules contain information to help the reader assess the government's most significant local revenue sources: property taxes and water and wastewater usage fees.</i>	
Debt Capacity (schedules 9 thru 13)	95
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information (schedules 14 and 15)	100
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information (schedules 16 thru 19)	102
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF YPSILANTI, MICHIGAN
Net Assets by Component (A)
Last Eight 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>	<u>2010</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	\$ 14,987,983
Restricted	12,304,472	6,247,200	6,452,591	9,093,066	7,108,155	10,909,451	10,406,691	10,975,911
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>(9,406,528)</u>	<u>(6,404,471)</u>	<u>(6,202,344)</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>\$ 16,682,345</u>	<u>\$ 19,119,325</u>	<u>\$ 19,761,550</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 Eight 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>	<u>2010</u>
Expenses								
General government	\$ 1,581,277	\$ 1,419,098	\$ 1,532,445	\$ 1,679,364	\$ 2,021,481	\$ 2,212,245	\$ 2,788,130	\$ 3,075,617
Public safety	6,583,816	7,429,566	7,251,128	8,185,587	9,601,958	9,618,481	8,563,993	8,638,877
Public works	6,864,588	7,794,953	2,092,229	6,423,905	4,470,462	2,084,186	1,935,048	2,031,833
Highways, streets, and bridges	617,387	2,102,452	1,921,935	1,736,108	2,022,071	2,562,769	3,165,639	3,612,341
Culture and recreation	1,012,428	1,208,152	1,250,186	1,013,582	784,039	570,113	465,538	435,711
Community development	569,456	825,539	878,517	439,851	415,116	340,815	330,041	229,274
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	2,748,116
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>20,222,763</u>	<u>19,958,523</u>	<u>20,771,769</u>
Program revenues								
Charges for services:								
General government	354,671	472,612	450,699	462,082	544,717	1,097,252	1,445,822	1,153,950
Public safety	649,394	572,581	420,034	570,059	499,197	720,555	947,998	959,591
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	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	3,825,594
Capital grants and contributions	2,249,767	4,420,907	3,727,652	3,087,106	4,891,245	672,269	94,250	1,215,405
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>	<u>7,155,740</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>(14,227,088)</u>	<u>(13,734,857)</u>	<u>(13,616,029)</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	11,417,456
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	2,671,507
Unrestricted investment earnings	456,872	161,630	1,121,441	(284,207)	1,118,294	1,223,621	817,091	169,291
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>	<u>14,258,254</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>\$ 1,570,834</u>	<u>\$ 2,182,012</u>	<u>\$ 642,225</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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General fund					
Reserved	\$ 119,949	\$ 365,416	\$ 501,530	\$ 477,742	\$ 99,780
Unreserved, designated	2,267,577	2,387,259	1,844,976	1,318,413	1,990,157
Unreserved, undesignated	-	-	331,293	915,139	1,586,873
Total general fund	<u>2,387,526</u>	<u>2,752,675</u>	<u>2,677,799</u>	<u>2,711,294</u>	<u>3,676,810</u>
Other governmental funds					
Reserved	109,748	1,476,645	23,126,978	14,949,777	10,111,447
Unreserved, designated	-	-	-	-	-
Unreserved, undesignated					
reported in:					
Special revenue funds	2,634,993	2,439,727	3,729,777	3,547,024	4,183,232
Debt service funds	5,647	905,503	608,079	2,203,846	1,856,755
Capital projects funds	9,227,197	11,838,241	766,971	(2,054,443)	(769,583)
Total all other governmental funds	<u>11,977,585</u>	<u>16,660,116</u>	<u>28,231,805</u>	<u>18,646,204</u>	<u>15,381,851</u>
Total governmental funds	<u>\$ 14,365,111</u>	<u>\$ 19,412,791</u>	<u>\$ 30,909,604</u>	<u>\$ 21,357,498</u>	<u>\$ 19,058,661</u>

Source: City of Ypsilanti Finance Department

Schedule 3
Unaudited

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 99,518	\$ 311,238	\$ 284,902	\$ 208,839	\$ 206,175
2,457,812	2,198,717	3,995,995	6,312,543	6,820,988
1,670,594	3,078,083	2,969,171	2,947,235	2,436,793
4,227,924	5,588,038	7,250,068	9,468,617	9,463,956
9,432,511	8,174,089	6,788,292	6,620,715	6,302,934
-	429,428	609,332	609,332	309,560
3,370,274	1,826,258	1,858,287	1,740,343	2,664,551
1,952,024	1,756,508	1,655,707	1,773,204	1,787,942
597,400	796,632	1,169,857	824,485	861,140
15,352,209	12,982,915	12,081,475	11,568,079	11,926,127
\$ 19,580,133	\$ 18,570,953	\$ 19,331,543	\$ 21,036,696	\$ 21,390,083

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

(modified accrual basis of accounting)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Revenues					
Taxes and special assessments	\$ 7,511,992	\$ 8,857,543	\$ 9,243,969	\$ 9,680,279	\$ 9,779,484
Licenses and permits	551,898	665,519	553,615	630,677	750,293
Intergovernmental	5,885,714	7,828,181	6,883,669	9,150,474	7,499,981
Charges for services	610,166	673,919	559,197	633,599	698,086
Fines and forfeits	177,516	151,455	216,850	153,178	225,384
Investment earnings	223,178	123,792	82,413	(45,083)	437,809
Other revenues	1,068,954	1,131,386	2,660,547	2,199,836	1,465,233
Total revenues	<u>16,029,418</u>	<u>19,431,795</u>	<u>20,200,260</u>	<u>22,402,960</u>	<u>20,856,270</u>
Expenditures					
General government	2,364,848	2,586,286	2,778,807	2,901,404	2,888,462
Public safety	7,132,399	7,360,420	7,330,976	7,398,919	7,121,191
Public works	2,545,164	9,235,084	6,165,266	9,352,172	6,969,115
Refuse collection	864,996	989,225	918,796	982,302	963,935
Highways, streets and bridges	1,038,153	1,039,049	2,357,975	1,211,559	1,232,042
Culture and recreation	994,379	996,835	1,042,526	834,871	302,147
Other expenditures	325,232	19,208	232,846	291,779	215,156
Public transit	-	-	-	-	-
Unallocated employee benefits	688,096	703,342	853,329	754,956	739,790
Capital outlay	-	621,877	19,536,533	8,656,714	6,660,712
Debt service:					
Principal	-	590,000	987,281	3,182,693	1,718,202
Interest and fiscal charges	6,458	407,469	776,324	2,041,157	4,468,430
Total expenditures	<u>15,959,725</u>	<u>24,548,795</u>	<u>42,980,659</u>	<u>37,608,526</u>	<u>33,279,182</u>
Revenues over (under) expenditures	<u>69,693</u>	<u>(5,117,000)</u>	<u>(22,780,399)</u>	<u>(15,205,566)</u>	<u>(12,422,912)</u>
Other financing sources (uses)					
Transfers in	791,319	1,271,181	2,606,504	2,973,600	2,355,341
Transfers out	(791,319)	(1,331,181)	(2,631,504)	(2,973,600)	(2,373,144)
Issuance of debt	8,465,000	10,224,680	33,788,904	13,441,864	14,262,866
Payment to refunding escrow agent	-	-	-	-	(4,120,988)
Total other financing sources (uses)	<u>8,465,000</u>	<u>10,164,680</u>	<u>33,763,904</u>	<u>13,441,864</u>	<u>10,124,075</u>
Extraordinary item - change in market value of land held for resale	-	-	-	(7,788,399)	-
Net changes in fund balances	<u><u>\$ 8,534,693</u></u>	<u><u>\$ 5,047,680</u></u>	<u><u>\$ 10,983,505</u></u>	<u><u>\$ (9,552,101)</u></u>	<u><u>\$ (2,298,837)</u></u>
Debt service as a percentage of noncapital expenditures	<u>0.0%</u>	<u>4.2%</u>	<u>7.5%</u>	<u>18.0%</u>	<u>23.2%</u>

Source: City of Ypsilanti Finance Department

Schedule 4
UNAUDITED

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 10,559,261	\$ 11,310,662	\$ 11,503,422	\$ 12,098,938	\$ 11,417,456
617,089	576,436	665,684	657,459	530,812
7,254,893	7,750,482	7,826,046	7,667,265	7,880,092
931,525	987,433	416,730	582,283	533,974
362,432	297,667	394,089	445,965	475,530
(297,092)	932,581	912,077	743,107	35,676
1,410,678	1,704,958	534,781	840,477	716,969
<u>20,838,786</u>	<u>23,560,219</u>	<u>22,252,829</u>	<u>23,035,494</u>	<u>21,590,509</u>
2,300,056	2,375,208	2,409,836	2,170,189	2,127,907
8,114,602	9,811,440	8,744,920	8,431,824	8,182,781
2,659,544	1,954,923	997,305	1,194,766	912,196
1,016,505	1,079,251	1,171,953	1,184,977	1,078,414
1,180,647	1,814,492	1,973,109	1,691,811	1,540,487
206,698	162,189	446,196	358,179	457,372
214,575	179,915	178,636	146,167	544,408
-	-	-	226,756	158,967
847,947	925,577	1,161,692	1,188,986	964,144
2,375,227	840,776	-	-	-
2,299,949	2,665,245	2,501,875	2,627,079	2,738,504
<u>3,145,864</u>	<u>2,766,159</u>	<u>2,767,662</u>	<u>2,692,892</u>	<u>2,705,052</u>
<u>24,361,614</u>	<u>24,575,175</u>	<u>22,353,184</u>	<u>21,913,626</u>	<u>21,410,232</u>
<u>(3,522,828)</u>	<u>(1,014,956)</u>	<u>(100,355)</u>	<u>1,121,868</u>	<u>180,277</u>
1,924,858	1,139,551	999,347	1,219,140	2,300,123
(1,924,858)	(1,189,551)	(899,683)	(1,187,059)	(2,214,414)
16,827,648	9,895,000	297,596	503,958	87,401
<u>(12,783,348)</u>	<u>(9,839,224)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>4,044,300</u>	<u>5,776</u>	<u>397,260</u>	<u>536,039</u>	<u>173,110</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 521,472</u>	<u>\$ (1,009,180)</u>	<u>\$ 296,905</u>	<u>\$ 1,657,907</u>	<u>\$ 353,387</u>
<u>24.8%</u>	<u>22.6%</u>	<u>25.1%</u>	<u>25.2%</u>	<u>25.8%</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	
2009	2010	\$ 339,950,191	\$ 380,570,998	\$ 30,525,720	\$ 30,525,720	\$ 370,475,911	\$ 411,096,718	30.8592
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

(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 City	Ypsilanti Public Schools	State Education Tax	Washtenaw		Washtenaw Community College	Ypsilanti District Library	Totals	
				Intermediate School District	County			Homestead	Non- Homestead
2010	30.8592	24.2000	6.0000	3.9745	5.7418	3.6856	2.1575	58.6186	76.6186
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

Direct Property Tax Rates for City

	Direct Property Tax Rates for City					Total
	General Operating	Sanitation	Streets	Police & Fire Pension	YCUA Debt	
2010	19.0211	2.7814	3.9086	5.1481	-	30.8592
2009	19.0211	2.7814	3.7170	5.0821	-	30.6016
2008	19.0211	2.7814	3.3376	4.4394	-	29.5795
2007	19.0211	2.7814	3.4641	3.9850	0.2783	29.5299
2006	19.0211	2.7814	3.7485	2.7660	0.7131	29.0301
2005	19.0937	2.7921	3.5967	1.7197	0.7139	27.9161
2004	19.0937	2.7870	3.8533	1.7593	0.7887	28.2820
2003	19.0109	2.8332	2.9510	1.8162	0.7972	27.4085
2002	18.8032	2.8683	2.9100	1.9437	0.8423	27.3675
2001	18.7197	2.8799	-	2.0504	0.8075	24.4575

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	2010			2001		
	Taxable Valuation	Rank	% of Total City Taxable Value	Taxable Valuation	Rank	% of Total City Taxable Value
Leforge Station	\$ 6,982,200	1	2.05%	\$ -		0.00%
DTE (formerly Detroit Edison Utilities)	5,343,667	2	1.57%	3,059,691	3&5	1.04%
Angstrom Capital (Formerly Ford Plant)	5,119,500	3	1.51%	59,396,700	1	20.23%
FHMC Real Estate (Formerly Forest Health)	4,313,200	4	1.27%	-		0.00%
Barnes & Barnes Properties	3,575,069	5	1.05%	1,679,704	8	0.57%
River Drive Apartments	3,278,400	6	0.96%	3,424,932	4	1.17%
University Housing Leforge	3,005,100	7	0.88%	-		0.00%
Agree Limited Partnership	2,393,400	8	0.70%	1,537,500	9	0.52%
Stewart Beal	1,953,680	9	0.57%	-		0.00%
Asad Khailany	1,861,682	10	0.55%	-		0.00%
Exemplar Manufacturing	-		-	6,560,300	2	2.23%
Comcast	-		-	2,608,800	6	0.89%
Crown Paper Company Manufacturing	-		-	2,436,316	7	0.83%
Eastern Village Apartment	-		-	1,451,400	10	0.49%
	<u>\$ 37,825,898</u>		<u>11.13%</u>	<u>\$ 82,155,343</u>		<u>27.98%</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
2010	\$ 8,867,882	\$ 7,871,640	88.8%	\$ 819,421	\$ 8,691,061	98.0%
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%

(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 15. 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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 25,805,000
Revenue bonds	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	33,277,955
Installment obligations	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	3,090,350
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)	(1,787,942)
	<u>10,688,492</u>	<u>19,181,715</u>	<u>52,271,966</u>	<u>60,825,018</u>	<u>67,932,598</u>	<u>69,265,029</u>	<u>67,395,300</u>	<u>65,291,822</u>	<u>63,051,204</u>	<u>60,385,363</u>
Business-type activities										
Revenue bonds	-	-	-	-	-	-	-	-	-	-
Total outstanding debt	<u>\$ 10,688,492</u>	<u>\$ 19,181,715</u>	<u>\$ 52,271,966</u>	<u>\$ 60,825,018</u>	<u>\$ 67,932,598</u>	<u>\$ 69,265,029</u>	<u>\$ 67,395,300</u>	<u>\$ 65,291,822</u>	<u>\$ 63,051,204</u>	<u>\$ 60,385,363</u>
Total taxable value	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	370,475,911
Ratio of total debt to taxable value	3.64%	6.19%	15.96%	17.98%	19.63%	19.28%	17.02%	15.78%	15.66%	16.30%
Total population	22,324	22,286	22,138	21,989	21,949	21,767	21,827	20,849	20,437	19,201
Total debt per capita	\$ 479	\$ 861	\$ 2,361	\$ 2,766	\$ 3,095	\$ 3,182	\$ 3,088	\$ 3,132	\$ 3,085	\$ 3,145
% of personal income	1.35%	2.41%	6.45%	7.34%	8.10%	8.23%	7.74%	7.66%	7.54%	7.69%
Personal income	\$ 793,774	\$ 796,368	\$ 809,941	\$ 829,029	\$ 838,693	\$ 841,991	\$ 870,723	\$ 852,828	\$ 835,975	\$ 785,417

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		
2010	\$ 25,805,000	\$ 1,787,942	\$ 24,017,058	6.48%	\$ 1,250.82
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	31,410,350	1,756,508	29,653,842	7.49%	1,358.59
2006	32,275,350	1,952,024	30,323,326	8.44%	1,393.09
2005	30,465,350	1,856,755	28,608,595	8.27%	1,303.41
2004	28,118,324	2,203,846	25,914,478	7.66%	1,178.52
2003	24,408,324	608,079	23,800,245	7.26%	1,075.09
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

Source: City of Ypsilanti Finance Department

CITY OF YPSILANTI, MICHIGAN
Computation of Net Direct and Overlapping Debt
As of June 30, 2010

	Gross Amount Outstanding	Self-Supporting or Paid by Benefited Entity	Net Amount Outstanding
	<u> </u>	<u> </u>	<u> </u>
Direct debt			
General obligation bonds	\$ 25,805,000	\$ -	\$ 25,805,000
General obligation bonds - DDA	1,135,000	1,135,000	-
Revenue bonds	33,190,554	33,190,554	-
Revenue bonds - Depot Town DDA	93,583	93,583	-
Installment obligations	<u>3,090,350</u>	<u>-</u>	<u>3,090,350</u>
Net direct debt	<u>\$ 63,314,487</u>	<u>\$ 34,419,137</u>	<u>28,895,350</u>
Overlapping debt			
Ypsilanti School District			39,964,549
Washtenaw County			2,318,148
Washtenaw Community College			-
Ypsilanti District Library			<u>941,441</u>
Net overlapping debt			<u>43,224,138</u>
Net direct and overlapping debt			<u>\$ 72,119,488</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	\$ 411,096,718
Debt limit (10% of assessed value)	\$ 41,109,672
Net debt subject to limitation:	
General obligation bonds	25,805,000
Less amounts available for repayment of general obligation bonds	(1,787,942)
	<u>24,017,058</u>
Legal debt margin	<u>\$ 17,092,614</u>

	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2010	\$ 41,109,672	\$ 24,017,058	\$ 17,092,614	58.42%
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	29,653,842	20,573,619	59.04%
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%

Source: City of Ypsilanti Finance Department

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

Fiscal Year Ended August 31,	(1) Gross Revenue	(2) Operating Expenses	Net Revenue Available for Debt Service	(3) Total Debt Service Requirement	Coverage
2009	\$ 34,348,642	\$ 26,841,880	\$ 7,506,762	\$ 5,653,810	1.33
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

Source: Ypsilanti Community Utilities Authority comprehensive annual financial report.

(Note: YCUA is on a August 31 fiscal year end; as such, the 2010 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

<u>Year</u>	<u>(1) Population</u>	<u>(2) Total Personal Income (in thousands)</u>	<u>(2) Per Capita Income</u>	<u>(3) School Enrollment</u>	<u>(4) Unemployment Rate</u>
2010	19,201	\$ 785,417	\$ 40,905 (5)	3,896	9.9%
2009	20,437	835,975	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%

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

(1) Estimate per SEMCOG and/or 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 and 2010 data not yet available (used prior year data)

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

Employer	2010			2001		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Eastern Michigan University	1,789	1	15.61%	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	150	4	1.31%	151	6	1.23%
Forest Health Services	140	5	1.22%	-	-	-
City of Ypsilanti	104	6	0.91%	137	8	1.11%
Gene Butman Ford	62	7	0.54%	60	11	0.49%
Marsh Plating & Finishing Services	60	8	0.52%	120	9	0.98%
Walgreens	56	9	0.49%	75	10	0.61%
Fisher Honda	25	10	0.22%	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>3,286</u>		<u>28.67%</u>	<u>6,326</u>		<u>51.47%</u>

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 Ten Years (1)

Function/Program	Full-time Equivalent Employees as of June 30,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Mayor and City Council	7.00	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	1.85
Human Resources (226)	2.00	2.00	2.00	2.00	2.00	2.00	1.80	1.90	1.55	1.55
Ordinance Enforcement (341)	1.50	1.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.50
Building Inspection (371)	4.00	4.00	6.00	5.00	5.00	5.00	5.00	5.00	5.25	3.75
Planning & Development (801)	5.00	5.00	5.00	5.00	5.00	4.50	3.50	3.40	1.65	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>	<u>9.30</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	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>	<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	1.00
Suppression (339)	21.00	21.00	21.00	21.00	21.00	21.00	21.00	23.00	21.00	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>	<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	3.20
Finance - Assessor (209)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	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	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>	<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	2.00
Field Services (307)	51.00	51.00	51.00	42.00	42.00	42.00	40.00	41.00	37.00	38.40
Parking Enforcement (311)	2.00	2.00	2.00	6.00	6.00	6.00	6.00	4.00	2.00	2.00
LAWNET Grant (312 & 316)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
School Liaison Contract (317)	1.00	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>	<u>44.40</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	17.00
Administration (441)	3.75	3.75	3.75	3.75	3.75	3.75	3.75	4.00	3.75	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>	<u>20.75</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>	<u>104.15</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>	<u>111.15</u>

(1) Data prior to fiscal 2001 is not readily available; accordingly, eight 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	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public Safety										
Police services										
Number of uniform crime reporting	4,809	4,091	4,515	4,324	3,946	4,171	4,524	3,087	3,349	3,295
Number of traffic violations	2,314	2,977	3,345	2,550	3,492	3,275	3,269	3,538	7,502	8,458
Number of arrests	2,103	1,660	1,953	1,935	1,327	1,479	1,818	1,484	2,015	1,864
Number of parking violations	8,917	10,724	10,030	9,522	16,954	14,851	11,369	6,818	9,654	9,611
Fire services										
Number of calls answered	622	716	632	582	511	478	511	402	553	566
Number of inspections conducted	362	550	783	859	778	785	980	996	1,396	1,464
Public Services										
Miles of local streets maintained	20.56	20.56	20.56	20.56	20.56	20.56	21.22	21.22	21.22	21.22
Miles of major streets maintained	33.18	33.18	33.18	33.18	33.18	33.18	32.52	32.52	32.44	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	663.00

Source: City of Ypsilanti Police, Fire and Public Services Departments.

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

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police Services										
Police department building	1	1	1	1	1	1	1	1	1	1
Temporary detention cells	2	2	2	2	2	2	2	2	2	2
Vehicle patrol units:										
Police service automobiles	14	14	14	13	13	12	12	10	10	10
Unmarked police vehicles	9	9	9	8	8	7	7	7	6	6
Parking enforcement	2	2	2	2	2	2	2	2	2	2
Mobile command vehicle	-	-	1	1	1	1	1	1	1	1
Volunteer service vehicle	-	-	-	-	-	1	1	1	1	1
Fire Services										
Emergency services building	1	1	1	1	1	1	1	1	1	1
Vehicle units:										
Pumper truck	3	3	3	3	3	2	2	2	2	2
Pumper ladder truck	2	2	2	2	2	1	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	1
Chief's city car	1	1	1	1	1	1	1	1	1	1
Trailer	1	1	1	1	1	1	1	-	-	-
Pickup truck	1	1	1	1	1	1	1	1	1	1
Utility van	1	1	1	1	1	1	1	1	1	1
Administrative Services										
Crown Victoria - CH	2	2	2	2	2	2	2	2	1	1
Taurus - CM	4	4	4	4	4	4	4	4	1	1
Building enforcement vehicles										

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

<u>Function/Program</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Public Services										
Passenger	-	2	2	2	2	2	2	2	3	4
Crown Victoria										
Taurus	2	2	2	2	2	2	2	2	1	1
Van									1	1
Van with Aerial Lift										1
Trucks:										
Pick-up with Aerial Lift	9	9	9	9	9	9	9	9	8	9
Dump	9	9	9	9	9	9	9	9	9	9
with Grapple										
Stake	7	7	7	7	7	7	7	7	6	6
with Aerial Lift	2	2	2	2	2	2	2	2	-	-
Recycle Truck	1	1	1	1	1	1	1	1	1	1
Packer Truck	3	3	3	3	3	3	3	3	4	4
Brush Chipper	2	2	2	2	2	2	2	2	3	3
Tractors:										
with Front Loader	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
with Bucket & Backhoe	1	1	1	1	1	1	1	1	1	1
with Drawn Rake	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
Wide Area Mower										
Loader with Bucket	2	2	2	2	2	2	2	2	3	3
Equipment:										
Gas Tester	1	1	1	1	1	1	1	1	1	1
Arrowboard	2	2	2	2	2	2	2	2	2	2
Snow Blower	4	4	4	4	4	4	4	4	4	4
Traffic Counter	8	8	8	8	8	8	8	8	8	8

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

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Star Drill	1	1	1	1	1	1	1	1	1	1
Flail Mower	1	1	1	1	1	1	1	1	1	1
Trailer	3	3	3	3	3	3	3	3	4	4
Auger	2	2	2	2	2	2	2	2	2	2
Street Sweeper	2	2	2	2	2	2	2	2	2	2
Compactor	1	1	1	1	1	1	1	1	1	1
Cement Mixer	2	2	2	2	2	2	2	2	2	2
Bituminous	1	1	1	1	1	1	1	1	1	1
Hyd. Sewer Cleaner	2	2	2	2	2	2	2	2	2	2
Compressor	1	1	1	1	1	1	1	1	1	1
Concrete Pavement Saw	2	2	2	2	2	2	2	2	2	2
Rear Plow	1	1	1	1	1	1	1	1	1	1
Dual Line Stripper	1	1	1	1	1	1	1	1	1	1
Leaf Blower	3	3	3	3	3	3	3	3	3	3
Weed Eater	9	9	9	9	9	9	9	9	9	9
Rotary Lawn Mower	1	1	1	1	1	1	1	1	2	2
Bush Hog	1	1	1	1	1	1	1	1	1	1
Generator	2	2	2	2	2	2	2	2	2	2
Compressor	1	1	1	1	1	1	1	1	1	2
Maint. Drawn Tracor Blade	1	1	1	1	1	1	1	1	1	1
Sod Cutter	1	1	1	1	1	1	1	1	1	1
Rotary Tiller	1	1	1	1	1	1	1	1	1	1
Chain Saw	11	11	11	11	11	11	11	11	11	11
Power Pruner	3	3	3	3	3	3	3	3	4	4
Stump Cutter	1	1	1	1	1	1	1	1	1	1
Chipper Box	1	1	1	1	1	1	1	1	1	1
Fork Lift	1	1	1	1	1	1	1	1	1	1
Roller	1	1	1	1	1	1	1	1	1	1
Pressure Washer	1	1	1	1	1	1	1	1	1	1
Portable Space Heater	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	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Power MIG 255	1	1	1	1	1	1	1	1	1	1
Precision TIG 275	1	1	1	1	1	1	1	1	1	1
Row Boat	1	1	1	1	1	1	1	1	1	1
Sandblaster	-	-	-	-	-	-	-	-	-	1
Parks & Recreation										
Parks:										
Active	8	8	8	8	8	8	8	8	8	8
Inactive	2	2	2	2	2	2	2	2	1	1
Tot Lots	2	2	2	2	2	2	2	2	3	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
Inactive	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	2.0	2.0
Tot Lots	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Picnic areas	9	9	9	9	9	9	9	9	9	9
Buildings:										
Parkridge Community Center	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Concessions	1	1	1	1	1	1	1	1	1	1
Pavilions	8	8	8	8	8	8	8	8	8	9
Swimming Pool	1	1	1	1	1	1	1	1	1	1
Amphitheater	1	1	1	1	1	1	1	1	1	1
Multiuse Trail	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	7.00
Carrie Mattingly Tot Lot	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1	1.00
Charles Street Tot Lot	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0	0.33

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

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Edith Hefley Park	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	1	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
Gilbert Park	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-	0.00
Parkridge Park Community Center	8.13	8.13	8.13	8.13	8.13	8.13	8.13	8.13	8.13	8.13
Peninsular Park	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
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
Riverside Park	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
Picnic										
Candy Cane Park	1	1	1	1	1	1	1	1	1	1
Edith Hefley Park	1	1	1	1	1	1	1	1	1	1
Frog Island Park	1	1	1	1	1	1	1	1	1	1
Parkridge Park Community Center	1	1	1	1	1	1	1	1	1	1
Peninsular Park	1	1	1	1	1	1	1	1	1	1
Prospect Park	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
Riverside Park	1	1	1	1	1	1	1	1	1	1
Waterworks Park	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
Candy Cane Park	1	1	1	1	1	1	1	1	1	1
Prospect Park	2	2	2	2	2	2	2	2	2	2
Waterworks Park	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
Riverside Park	1	1	1	1	1	1	1	1	1	2
Peninsular Park	1	1	1	1	1	1	1	1	1	1

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

<u>Function/Program</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
City Attractions										
Eastern Michigan Campus				1	1	1	1	1	1	1
Farmer's Market / Freighthouse	1	1	1	1	1	1	1	1	1	1
Michigan Firehouse Museum				1	1	1	1	1	1	1
Riverside Arts Center	1	1	1	1	1	1	1	1	1	1
RM Classic Cars US Headquarter				1	1	1	1	1	1	1
The Tridge										
Ypsilanti Automotive Heritage Collection	1	1	1	1	1	1	1	1	1	1
Ypsilanti District Library	1	1	1	1	1	1	1	1	1	1
Ypsilanti Historical Museum	1	1	1	1	1	1	1	1	1	1
Ypsilanti Water Tower	1	1	1	1	1	1	1	1	1	1
Ypsilanti West Commerce Park	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, 2010

Type of Coverage Name of Company	Policy Period	Premium	Description
Michigan Municipal League Liability and Property Pool	08/01/09-08/01/10	\$370,676	Covers general liability, police professional liability and public officials errors & omissions. Limit of liability \$2,000,000.
Michigan Municipal League Liability and Property Pool	08/01/09-08/01/10	\$57,415	Covers equipment and automobiles.
Michigan Municipal League Liability and Property Pool	08/01/09-08/01/10	\$22,407	Covers buildings and attached property.
Zurich North America	8/30/09-8/30/2010	\$2,137	Covers commercial storage tank
Blue Cross - Blue Shield, Assurant, EHIM, Fort Dearborn, MECA, UNUM	07/01/2009-06/30/2010	\$1,523,472	Employee and retiree benefits: health, dental, prescription, life, vision and long-term disability.
Accident Fund	07/01/2009-06/30/2010	\$104,424	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