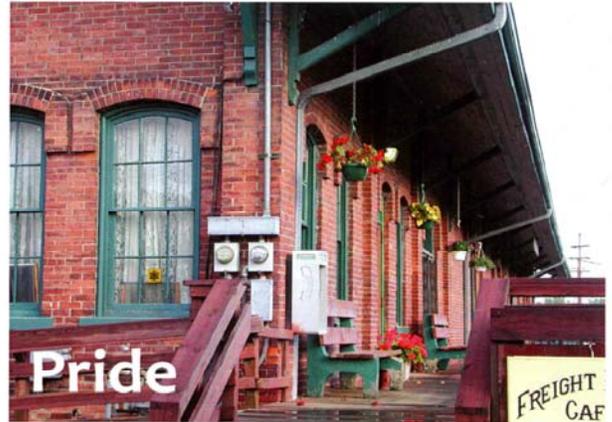


YPSILANTI

MICHIGAN



Community Impact Comprehensive Annual Financial Report Year Ended June 30, 2011

CITY OF YPSILANTI, MICHIGAN

Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2011

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, 2011**

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INTRODUCTORY SECTION



December 9, 2011

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, 2011. Responsibility for both accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The City uses a comprehensive system of internal controls to assure completeness and accuracy of the data presented in this report. City employees operate under a comprehensive system of internal controls designed to insure the completeness and accuracy of the data representing the City's activities. As a result, administration believes that the data, as presented in this report 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. The City uses a comprehensive system of internal controls; 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 truck (FEMA AFG), Freighthouse restoration, mobile license plate readers, surveillance media work station, cellular telephone forensic data capture and record system (JAG), assistance with police officer wages and fringes (COPS), recreational programs (private grants). 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, 2011. 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 19,435. 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 at the fund level and, operationally, budgetary control is exercised at the departmental 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 9.6% percent, and has been consistently at or below the state average (10.5 percent at June 30, 2011) and above the national average of 9.2 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 19,435 according to the 2010 U.S. Census. This is a decline from the census of 2000, which showed a population of 22,237.

The City's (state equalized value) has decreased 7.8% over the last ten years. The City's total equalized value of taxable property for 2011 is approximately \$330 million, a decrease of about \$23 million, or roughly 6.6% of the prior year.

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 91.38 FTE's for fiscal 2011.

The City's working relationship with our governmental neighbors and Eastern Michigan University (EMU), 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; fortunately for the City, though, 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. During fiscal 2011 the City utilized three Environmental Protection Agency clean-up grants for a total of \$600,000 along with \$250,000 from a Neighborhood Stabilization Program grant to demolish all structures on the site and to complete most of the remediation on the site. The City has successfully set aside \$3.9 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 unassigned general fund balance for fiscal year 2011 is \$3,545,913, which is 26.7% of 2010-11 general fund expenditures and other financing uses.

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 postemployment 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 redevelopment area 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 two years.

Additionally the City has secured funds from the Great Lakes Restoration Initiative for interim uses including a city tree nursery, and for phytoremediation of a 1-acre sized area that still has metals contamination. This funding included a comprehensive inventory of trees in the City.

Continuing with its focus on replacing aging infrastructure, the City repaired the Spring Street Bridge this season. Other major road projects included the reconstruction of East Cross Street from River to Prospect Streets. New water leads were installed under Cross Street as well as a bump-out and pedestrian crossing to continue the City's efforts toward pedestrian-scale projects and "Complete Streets" implementation. The City adopted a Complete Streets ordinance in August of 2011, and will be incorporating a complete streets review into any future road or other transportation project in the City.

The City, DDA and Eastern Leaders Group have partnered on the revitalization of West Cross Street at the doorstep of EMU. This fall, a streetscape enhancement grant including new street trees, the City's first LED streetlights, as well as accessibility improvements including stamped concrete crosswalks is nearing completion! This builds off last year's improvements to College Place featuring new pedestrian enhancements built by EMU and the addition of bike lanes to Forest Avenue from College Place (that also has bike lanes) to Huron Street. Along that commercial strip, a series of businesses have expanded or revamped their buildings as a result of grants from the DDA and Eastern Leaders Group. Tower Inn received a great facelift, as did Crossroads Bar and Grill, soon to expand in the former Magazine Rack. The dilapidated building at 511 W. Cross has been renovated, and former Art Attack and Ted's Campus Drugs has been renovated from top to bottom, featuring luxury apartments and three storefronts, with the first already occupied by a local clothing company.

The City continues to participate in Aerotropolis, the regional economic development effort that includes Wayne and Washtenaw counties as well as, the cities of Belleville, Taylor and Romulus, and the townships of Van Buren and Ypsilanti. The concept is to provide economic development opportunities (for business 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.

A landmark project for the City this year is the redevelopment of 144 formerly vacant and dilapidated rental units located at Hamilton and Huron. The former Parkview apartments were sold to the Ypsilanti Housing Commission who created nonprofits in cooperation with Chesapeake Community Advisors to redevelop the property into Hamilton Crossing. Every unit will be gutted and rehabbed, and the site will be re-landscaped with improvements to parking lot and grounds throughout. Occupancy of the initial work phase is expected by year end.

The renovation of Hamilton Crossing as well as the expansion of Hope Clinic and the purchase of the former ACH plant on Spring Street served as a catalyst for the City to partner with Washtenaw County on the South of Michigan Community Needs Assessment. This effort sought to use data, stakeholder meetings, focus groups and surveys to determine the priority needs and/or recommendations in the area based in five target areas: public health, housing, education/workforce development, safety and quality of life. The results of the assessment will be utilized by the City, County and local nonprofits to help direct their programming in the area, as well as provide baseline data for grant-writing and other efforts.

The City held its third annual city-wide Open House which promotes living in the city and was sponsored by the City, Ypsilanti School District, EMU, local realtors and the Ann Arbor Board of Realtors. This year, 29 houses were open on October 15, 2011. Additionally, the City began a new partnership with the Washtenaw County Treasurer's office with a tax foreclosure open house which showed 10 out of 25 properties in this year's foreclosure auction. The majority of the properties in this auction sold for more than the required minimum bid amount, and was considered a success, as more local people purchased properties than out of town speculators.

The City continues to respond to vacant and dangerous buildings through its implementation of an ordinance which has four demolitions scheduled for the end of 2011/early 2012. The Fire Department continues to monitor properties and manage this effort.

Major Initiatives in the Future

The City continues to work with local partners to improve non-motorized transportation. During 2010, a dedicated public transit millage continues to be used to fund local bus service. In January, AATA (Ann Arbor Transit Authority) will be increasing frequency of bus service between Ypsilanti and Ann Arbor along Route 4, the most frequently used service in the City. A small park and ride will be established in the Washington Street parking lot to accommodate frequent users of this and other AATA bus service originating from the Ypsilanti Transit Center. Road projects will continue into 2012 including reconstruction of West Cross Street.

The City has entered into dialogue with Washtenaw County Parks and Recreation Committee on locating a new, state-of-the-art recreational facility on a portion of the Water Street site.

In 2012 the City will continue energy-efficiency improvements in City buildings focusing on lighting. Additionally the City will continue with year two of a Climate Action plan for the City. Also, four neighborhoods in the City have been selected for the Southeast Michigan Regional Energy Office's Better Buildings for Michigan program which will provide energy audits and energy efficiency kits to participating households, as well as low-interest loans for energy-efficient improvements.

The City of Ypsilanti and Ypsilanti Township continue to explore 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 and townships of Pittsfield and Ypsilanti have an informal agreement to operate as a box alarm system. This concept manages resources as one fire service increasing the effectiveness and efficiency of each fire department without additional costs.

Currently, the City and Friends of Rutherford Pool are negotiating an operations and capital replacement agreement. The agreement is dependent upon the City securing a Michigan Natural Resources grant to construct a new pool. The City will know in December 2011 whether the State has awarded such a grant.

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, 2010

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.

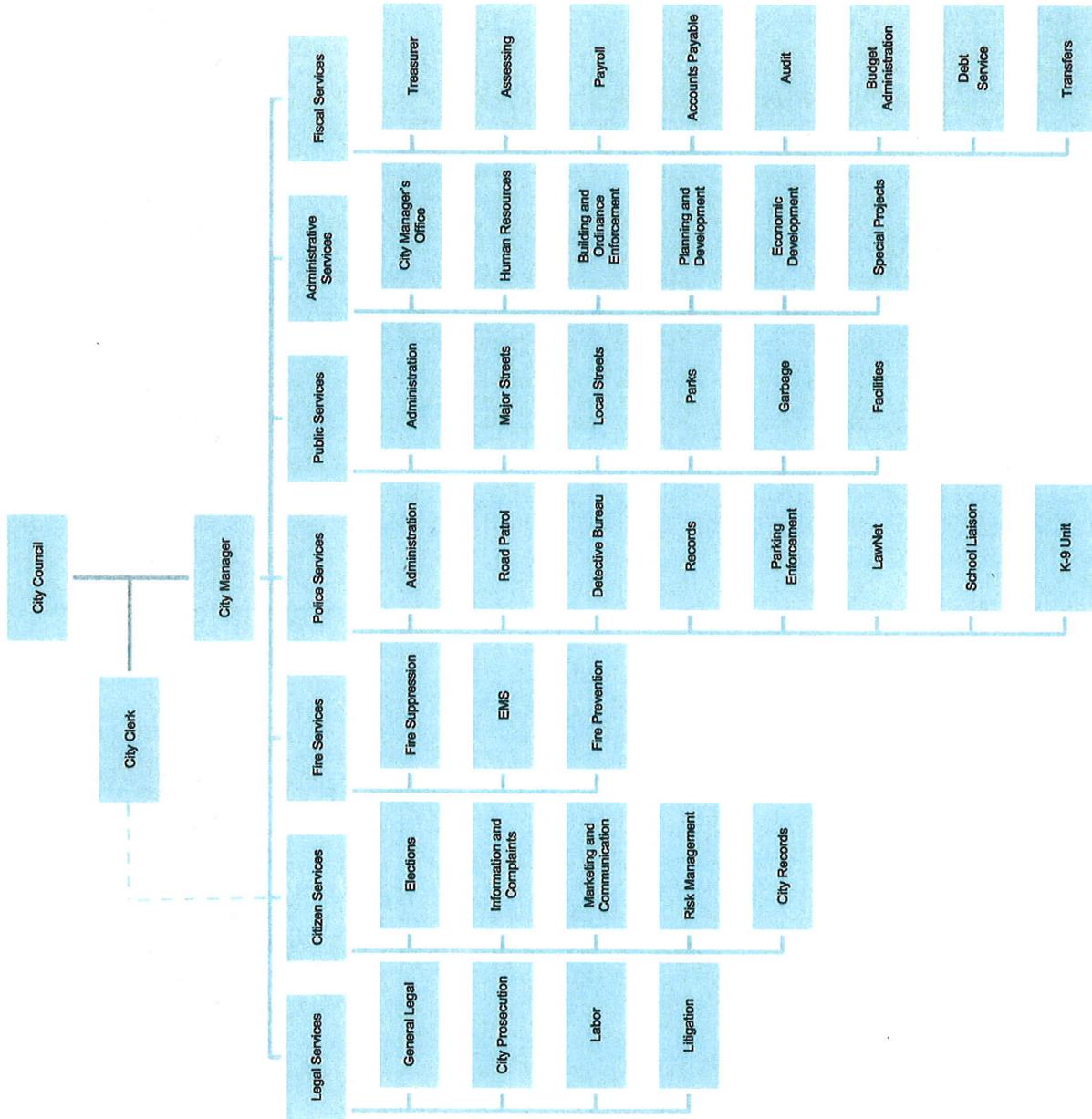


Linda C. Dandson

President

Jeffrey R. Emery

Executive Director



CITY OF YPSILANTI, MICHIGAN
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011
List of Principal City Officials

Elected Officials

City Council:

Paul T. Schreiber, Mayor
Lois E. Richardson, Mayor Pro-Tem

Michael V. Bodary
Peter J. Murdock
Ricky Jefferson
Daniel Vogt
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.....David Kowal

Director of Public Services..... Stan Kirton

Chief of Police..... Amy Walker

Fire Chief..... Jon Ichesco

Accounting Supervisor Sallea Tisch

City Assessor..... Courtney Dugger

City Treasurer.....Kimberly D. Teamer

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

December 9, 2011

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, 2011, 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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the general fund 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 9, 2011 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, 2011. 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-viii 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, 2011.

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$21,459,474 (*net assets*). This amount is net of a deficit of \$6,850,753 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 \$1,697,924.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$20,752,249, a decrease of \$637,834 in comparison with the prior year. Approximately 17.1 percent of this total amount, or \$3,545,913, is *available for spending* at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,545,913 or 26.7% of total general fund expenditures and other financing uses.
- The City's total bonded debt decreased by \$2,905,971 during the current fiscal year; \$3,830,000 of refunding bonds and \$26,253 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 shows 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 nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 15-20 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 schedules 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 58-83 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Ypsilanti, assets exceeded liabilities by \$21,459,474 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 2011 and compared to the prior fiscal year):

City of Ypsilanti's Net Assets

	Governmental activities	
	2011	2010
Current and other assets	\$ 57,971,919	\$ 60,311,269
Capital assets	26,397,331	25,392,983
Total assets	<u>84,369,250</u>	<u>85,704,252</u>
Long-term liabilities outstanding	60,288,966	63,226,707
Other liabilities	2,620,810	2,715,995
Total liabilities	<u>62,909,776</u>	<u>65,942,702</u>
Net assets:		
Invested in capital assets, net		
of related debt	16,952,331	14,987,983
Restricted	11,357,896	10,975,911
Unrestricted (deficit)	<u>(6,850,753)</u>	<u>(6,202,344)</u>
Total net assets	<u>\$ 21,459,474</u>	<u>\$ 19,761,550</u>

By far the largest portion of the City's net assets (79.0% or \$16,952,331) 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 is 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 (52.9% or \$11,357,896) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (a deficit of \$6,850,753) 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 8.6% from the prior year. This increase resulted from a number of factors. Additional structural improvements were made to the Freighthouse, electrical upgrades to the garage of Public Services were completed and windows in the Fire Department's building were replaced to improve energy efficiency. A new fire truck was purchased with funds provided by a FEMA Assistance to Fire Fighters Grant. Other vehicles and machinery were purchased to replace worn out vehicles and equipment which were disposed.

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	
	2011	2010
Revenue:		
Program revenue:		
Charges for services	\$ 2,221,096	\$ 2,114,741
Operating grants and contributions	3,585,313	3,825,594
Capital grants and contributions	609,256	1,215,405
General revenue:		
Property taxes	9,907,455	11,417,456
Grants and contributions not restricted to specific programs	2,670,643	2,671,507
Other	201,895	169,291
Total revenue	<u>19,195,658</u>	<u>21,413,994</u>
Expenses:		
General government	3,326,238	3,075,617
Public safety	8,257,558	8,638,877
Public works	1,980,913	2,031,833
Highways, streets and bridges	1,192,916	3,612,341
Culture and recreation	69,221	435,711
Community development	189,050	229,274
Interest on long-term debt	2,481,838	2,748,116
Total expenses	<u>17,497,734</u>	<u>20,771,769</u>
Change in net assets	1,697,924	642,225
Net assets - beginning of year	<u>19,761,550</u>	<u>19,119,325</u>
Net assets - end of year	<u>\$ 21,459,474</u>	<u>\$ 19,761,550</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, *unassigned 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 \$20,752,249, a decrease of \$637,834 in comparison with the prior year. Approximately 17.1% of this total amount (or \$3,545,913) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. Of the remainder \$5,033,016 represents nonspendable fund balance, \$5,671,778 is restricted and \$6,501,542 is committed.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance for the general fund was \$9,394,353. Of this amount \$269,199 represents inventory and prepaid items rendering it nonspendable. \$5,579,241 is committed for vested employee benefits, Water Street bond payments, an energy efficiency project and other uses as noted in note 3-I. As a measure of the general fund's liquidity it may be useful to compare unassigned fund balance to the total general fund expenditures; \$3,545,913 of the general fund's fund balance is unassigned, which represents 26.7% of total general fund expenditures and other financing uses. Overall, the fund balance of the general fund decreased by \$82,060 for the year, which was \$417,878 less of a decrease than budgeted.

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

- Total general fund revenue was down about 7% (or \$1,004,109) compared to the prior fiscal year. Most of the City's operating revenue is provided by property taxes that were about 10% (or \$884,403) lower than last fiscal year due to a tax tribunal settlement in the prior fiscal year and about 4% (or \$394,543) due to charge backs for foreclosed properties and Michigan tax tribunal. State shared revenue remained the same as the prior year. General fund revenues from licenses and permits increased about 29% (or \$133,457), and from fines and forfeits about 26% (or \$121,735) from the prior fiscal year.
- The City was able to replace windows in the Fire Department's building to improve energy efficiency. A new fire truck was purchased with funds provided by a FEMA Assistance to Fire Fighters Grant.
- The City's Police Department received a continuation of the COPS grant, which helped pay wages and fringes for two officers along with a continuation of the grant that helps fund the K-9 services, joint SWAT services and interagency cooperation with Washtenaw County and the University of Michigan. The Police Department also received a Lawnet Conspiracy Continuation Project grant used to assist with drug enforcement. They received a grant for 12 in-car video equipment units along with three utility pole cameras, and a Justice Assistance Grant (JAG) for license plate readers, a surveillance media work station and a cellular telephone forensic data extraction unit; an additional JAG grant was used to purchase a remote license reader.

- The City continued to invest in road infrastructure to the extent that federal and state funds were available through the Michigan Department of Transportation.
- The City made a transfer of \$768,589 to the 2006 Water Street debt service fund leaving \$3,919,182 committed by City Council for future Water Street bond payments.

The land revolving fund had an ending fund balance of \$2,116,716, of which \$2,055,128 is land held for resale and, therefore, nonspendable; \$61,588 which is committed for capital projects.

General Fund Budgetary Highlights

The City amended the general fund budget to take into account various events occurring during the year. Revenue was \$176,055 less than the amended budget because of charge backs from Washtenaw County and Michigan Tax Tribunal decisions. Nearly all departments stayed below budget, resulting in total expenditures being \$442,526 below the amended budget. The contributions from the general fund were less than the amended budget for the Freighthouse restoration (\$62,916), Water Street project (\$46,025), capital equipment purchases (\$34,221), and computer software and hardware (\$54,265). 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 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 2011, the City had \$26,397,331 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	
	2011	2010
Land	\$ 760,443	\$ 760,443
Infrastructure	18,743,990	18,899,118
Buildings and improvements	3,910,372	3,647,190
Vehicles and equipment	2,241,461	1,861,749
Construction in progress	741,065	224,483
Total	\$ 26,397,331	\$ 25,392,983

Major capital asset events during the current fiscal year included:

- Completed upgrades to DPS garage for a safer working environment and to bring the electrical up to City building codes.
- Added solar panels to City Hall with pass-through grant money.
- Renovated the Police building lobby, to remove rot, mold and infestation and improve energy efficiency.
- Replaced windows in the Fire building to increase energy efficiency.
- Contributed to the Freighthouse structural repairs.
- Replaced the fuel system because old system aged beyond repair.
- Sections of Mansfield and College Place were repaved as part of the ongoing effort to upgrade the City's streets to the extent that federal funding through the Michigan Department of Transportation was available.
- Bicycle lane additions and improvements were done on Forest Avenue.
- A new fire truck was purchased with grant funds and an old fire truck was disposed.
- DPS purchased a new stake truck and a new truck to be outfitted for recycling; both replaced old equipment.
- The Police Department replaced and outfitted four vehicles.

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 \$56,176,984. Of this amount, \$24,560,000 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	
	2011	2010
General obligation bonds	\$ 24,560,000	\$ 25,805,000
Revenue bonds	31,616,984	33,277,955
Total	\$ 56,176,984	\$ 59,082,955

Moody’s downgraded the City’s credit rating from A1 to A2 on the outstanding general obligation limited tax debt, which they say “reflects satisfactory financial position with declining liquidity, and declining tax base, while currently manageable, is expected to require general fund support beginning in 2013.” Standard & Poor’s continued the A1 rating for revenue bonds outstanding. A review of revenue bonds rating is scheduled for December 2011.

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 \$4,171,303 less than the current year amended budget, which includes the use of \$1,272,201 fund balance from the general fund for the Water Street bond payment, \$473,840 from the major street special revenue fund, and \$1,016,437 from the motor pool internal service fund. Revenues for all funds are budgeted to be about \$4,840,493 lower than the current fiscal year. The City expects property taxes to decrease again due to continued decline in taxable value. The City is looking at many options to reduce cost or increase revenue. Some of the measures being considered are a City income tax, a special millage to pay off the Water Street debt, storm water fees, possibly combining Fire and Police into a Public Safety Department, consolidation of City Hall offices, a special assessment for street lighting, and possible collaboration opportunities with neighboring jurisdictions.

The City is implementing the Economic Vitality Incentive Program by placing a *Citizens Guide and Performance Dashboard* on the City’s website which is a requirement to receive one-third of Michigan statutory state revenue sharing under a new program of the Governor. Effective January 1, 2012, the City will begin implementing Public Act 52 (Senate Bill #7) limiting employer medical benefit cost by having employees pay 20% of their medical benefit costs as labor contracts are renegotiated.

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, 2011

	Primary Governmental Activities	Component Units
Assets		
Cash and cash equivalents	\$ 18,026,454	\$ 1,029,058
Investments	3,500,429	-
Receivables	30,368,836	20,000
Prepaid items and other assets	5,803,501	-
Other noncurrent assets - other post-employment benefits assets	272,699	-
Capital assets not being depreciated	1,501,508	53,200
Capital assets being depreciated, net	24,895,823	2,209,343
Total assets	84,369,250	3,311,601
Liabilities		
Accounts payable and accrued expenses	2,440,319	31,259
Due to other governments	-	84,389
Unearned revenue	180,491	30,300
Long-term liabilities:		
Due within one year	4,102,162	128,137
Due in more than one year	56,186,804	987,909
Total liabilities	62,909,776	1,261,994
Net assets		
Invested in capital assets, net of related debt	16,952,331	1,149,272
Restricted for:		
Highways and streets	2,209,165	-
Drug law enforcement	625,106	-
Debt service	2,837,507	-
Capital projects	5,686,118	10,758
Unrestricted (deficit)	(6,850,753)	889,577
Total net assets	\$ 21,459,474	\$ 2,049,607

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

CITY OF YPSILANTI, MICHIGAN
Statement of Activities
For the Year Ended June 30, 2011

<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	\$ 3,326,238	\$ 1,121,010	\$ 513,409	\$ 96,211	\$ (1,595,608)
Public safety	8,257,558	1,098,886	221,820	292,597	(6,644,255)
Public works	1,980,913	-	-	84,448	(1,896,465)
Highways, streets and bridges	1,192,916	-	1,725,950	-	533,034
Culture and recreation	69,221	-	8,114	136,000	74,893
Community development	189,050	1,200	-	-	(187,850)
Interest on long-term debt	2,481,838	-	1,116,020	-	(1,365,818)
Total governmental activities	<u>\$ 17,497,734</u>	<u>\$ 2,221,096</u>	<u>\$ 3,585,313</u>	<u>\$ 609,256</u>	<u>\$ (11,082,069)</u>
Component units					
Community/economic development	<u>\$ 465,996</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (465,996)</u>

continued...

CITY OF YPSILANTI, MICHIGAN
Statement of Activities (Concluded)
For the Year Ended June 30, 2011

	Primary Governmental Activities	Component Units
Changes in net assets		
Net expense	\$ (11,082,069)	\$ (465,996)
General revenues:		
Property taxes	9,907,455	535,173
Grants and contributions not restricted to specific programs	2,670,643	18,575
Unrestricted investment earnings	201,895	4,468
Total general revenues	12,779,993	558,216
Change in net assets	1,697,924	92,220
Net assets, beginning of year	19,761,550	1,957,387
Net assets, end of year	\$ 21,459,474	\$ 2,049,607

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

FUND FINANCIAL STATEMENTS

CITY OF YPSILANTI, MICHIGAN
Balance Sheet
Governmental Funds
June 30, 2011

	General	Land Revolving Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 7,562,512	\$ 136,158	\$ 6,674,088	\$ 14,372,758
Investments	1,698,185	-	3,683	1,701,868
Accounts receivable	253,263	-	75,261	328,524
Land held for resale	-	2,055,128	2,700,608	4,755,736
Special assessments receivable	90,981	-	-	90,981
Due from other funds	103,558	-	-	103,558
Due from other governments	743,606	101,746	236,732	1,082,084
Prepaid items	114,538	-	8,081	122,619
Inventory	154,661	-	-	154,661
	<u>TOTAL ASSETS</u>	<u>\$ 2,293,032</u>	<u>\$ 9,698,453</u>	<u>\$ 22,712,789</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 209,897	\$ 7,908	\$ 176,390	\$ 394,195
Accrued liabilities	457,768	-	30,557	488,325
Due to other funds	-	-	103,558	103,558
Due to other governments	68,426	-	-	68,426
Tax refunds payable	394,226	-	112,353	506,579
Deferred revenue	196,634	168,408	34,415	399,457
	1,326,951	176,316	457,273	1,960,540
Fund balances				
Nonspendable:				
Prepaid items	114,538	-	8,081	122,619
Inventory	154,661	-	-	154,661
Land held for resale	-	2,055,128	2,700,608	4,755,736
Restricted for:				
Major and local streets	-	-	2,209,165	2,209,165
Drug law enforcement	-	-	625,106	625,106
Debt service	-	-	2,837,507	2,837,507
Committed for:				
Various purposes (Note 3-I)	5,579,241	-	-	5,579,241
Capital projects	-	61,588	860,713	922,301
Unassigned	3,545,913	-	-	3,545,913
Total fund balances	9,394,353	2,116,716	9,241,180	20,752,249
	<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 2,293,032</u>	<u>\$ 9,698,453</u>	<u>\$ 22,712,789</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, 2011

Fund balances - total governmental funds	\$ 20,752,249
<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	47,087,592
Deduct - accumulated depreciation	(22,704,853)
<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	7,176,213
<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	272,699
Deduct - bonds and purchase agreements payable	(59,267,334)
Add - leases receivable from joint venture entity for debt-financed property	28,839,348
Add - unamortized debt issuance costs	701,921
Deduct - accrued interest on bonds payable	(595,695)
Deduct - compensated absences	(1,021,632)
Net assets of governmental activities	\$ 21,459,474

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, 2011

	General	Land Revolving Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes and special assessments	\$ 7,722,939	\$ -	\$ 2,184,516	\$ 9,907,455
Licenses and permits	597,873	-	68,713	666,586
Intergovernmental	3,172,980	496,042	4,700,039	8,369,061
Charges for services	542,669	-	-	542,669
Fines and forfeits	597,265	-	-	597,265
Investment earnings	135,791	577	28,978	165,346
Other revenues	392,155	-	148,912	541,067
Total revenues	<u>13,161,672</u>	<u>496,619</u>	<u>7,131,158</u>	<u>20,789,449</u>
Expenditures				
Current:				
General government	1,961,065	-	472,226	2,433,291
Public safety	7,988,698	-	337,740	8,326,438
Public works	720,017	-	128,737	848,754
Refuse collection	-	-	1,065,037	1,065,037
Highways, streets and bridges	-	-	1,592,516	1,592,516
Parks and recreation	348,756	-	-	348,756
Community development	2,775	496,042	-	498,817
Public transit	218,000	-	-	218,000
Unallocated employee benefits	878,085	-	-	878,085
Debt service:				
Principal	-	-	2,970,000	2,970,000
Interest and fiscal charges	-	-	2,485,869	2,485,869
Bond issuance costs	-	-	75,847	75,847
Total expenditures	<u>12,117,396</u>	<u>496,042</u>	<u>9,127,972</u>	<u>21,741,410</u>
Revenues over (under) expenditures	<u>1,044,276</u>	<u>577</u>	<u>(1,996,814)</u>	<u>(951,961)</u>
Other financing sources (uses)				
Issuance of bonds	-	-	26,253	26,253
Issuance of refunding bonds	-	-	3,830,000	3,830,000
Payment to refunding bond escrow agent	-	-	(3,749,306)	(3,749,306)
Transfers in	13,642	-	1,625,401	1,639,043
Transfers out	(1,139,978)	-	(291,885)	(1,431,863)
Total other financing sources (uses)	<u>(1,126,336)</u>	<u>-</u>	<u>1,440,463</u>	<u>314,127</u>
Net changes in fund balances	(82,060)	577	(556,351)	(637,834)
Fund balances, beginning of year	<u>9,476,413</u>	<u>2,116,139</u>	<u>9,797,531</u>	<u>21,390,083</u>
Fund balances, end of year	<u>\$ 9,394,353</u>	<u>\$ 2,116,716</u>	<u>\$ 9,241,180</u>	<u>\$ 20,752,249</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, 2011

Net change in fund balances - total governmental funds \$ (637,834)

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	3,258,669
Deduct - depreciation expense	(2,336,901)
Add - disposal of capital assets	1,034

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 - refunding and revenue bond proceeds	(3,856,253)
Add - payment to refunding bond escrow agent	3,749,306
Add - bond issuance costs	75,847
Add - principal payments on long-term liabilities	2,970,000
Deduct - change in leases receivable for debt-financed property	(1,972,871)

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 - operating income of government internal service funds	256,540
Add - investment income in government internal service funds	38,733
Add - gain on sale of capital assets in government internal service funds	25,109
Deduct - transfers out in governmental internal service funds	(207,180)
Add - capital contributions in government internal service funds	340,250

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.

Deduct - decrease in other noncurrent assets for other postemployment benefits assets	(42,324)
Add - decrease in accrued interest payable on bonds	4,031
Add - decrease in the accrual for compensated absences	31,768
	31,768

Change in net assets of governmental activities \$ 1,697,924

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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Over (Under)</u>
				<u>Final Budget</u>
Revenues				
Taxes and special assessments	\$ 7,973,044	\$ 8,014,183	\$ 7,722,939	\$ (291,244)
Licenses and permits	546,892	570,488	597,873	27,385
Intergovernmental	2,862,119	3,150,132	3,172,980	22,848
Charges for services	562,976	540,431	542,669	2,238
Fines and forfeits	609,825	593,437	597,265	3,828
Investment earnings	300,000	30,000	135,791	105,791
Other revenues	325,928	439,056	392,155	(46,901)
	<u>13,180,784</u>	<u>13,337,727</u>	<u>13,161,672</u>	<u>(176,055)</u>
Expenditures				
General government:				
City council	96,430	96,430	89,082	(7,348)
City manager	200,759	211,960	207,065	(4,895)
Community services	761	761	211	(550)
Elections	104,989	83,004	78,650	(4,354)
Accounting	263,000	261,400	250,090	(11,310)
Assessing	80,740	82,665	62,831	(19,834)
General legal	52,140	52,140	52,140	-
Ordinance prosecution	105,000	105,000	105,000	-
Litigation and appeals	110,000	125,000	133,565	8,565
Personnel legal	25,000	11,000	11,385	385
City clerk	162,597	152,385	147,815	(4,570)
Human resources	135,491	136,273	129,418	(6,855)
Treasurer	153,257	184,013	175,862	(8,151)
Public building maintenance	353,856	420,174	331,676	(88,498)
Planning and development	186,908	195,373	186,275	(9,098)
Total general government	<u>2,030,928</u>	<u>2,117,578</u>	<u>1,961,065</u>	<u>(156,513)</u>
Public safety:				
Police	4,742,836	4,806,457	4,702,089	(104,368)
Fire	2,639,157	2,980,140	2,910,183	(69,957)
Ordinance enforcement	132,399	135,051	96,850	(38,201)
Building inspection	308,845	276,000	279,576	3,576
Total public safety	<u>7,823,237</u>	<u>8,197,648</u>	<u>7,988,698</u>	<u>(208,950)</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, 2011

	<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	\$ 178,648	\$ 204,203	\$ 216,564	\$ 12,361
Street lighting	548,400	525,890	503,453	(22,437)
Total public works	<u>727,048</u>	<u>730,093</u>	<u>720,017</u>	<u>(10,076)</u>
Parks and recreation	<u>333,490</u>	<u>366,337</u>	<u>348,756</u>	<u>(17,581)</u>
Community development	<u>60,000</u>	<u>50,000</u>	<u>2,775</u>	<u>(47,225)</u>
Public transit	<u>218,000</u>	<u>218,000</u>	<u>218,000</u>	<u>-</u>
Unallocated employee benefits	<u>877,280</u>	<u>880,266</u>	<u>878,085</u>	<u>(2,181)</u>
Total expenditures	<u>12,069,983</u>	<u>12,559,922</u>	<u>12,117,396</u>	<u>(442,526)</u>
Revenues over expenditures	<u>1,110,801</u>	<u>777,805</u>	<u>1,044,276</u>	<u>266,471</u>
Other financing sources (uses)				
Transfers in	58,800	48,800	13,642	(35,158)
Transfers out	<u>(1,183,820)</u>	<u>(1,326,543)</u>	<u>(1,139,978)</u>	<u>186,565</u>
Total other financing uses	<u>(1,125,020)</u>	<u>(1,277,743)</u>	<u>(1,126,336)</u>	<u>151,407</u>
Net changes in fund balance	(14,219)	(499,938)	(82,060)	417,878
Fund balance, beginning of year	<u>9,476,413</u>	<u>9,476,413</u>	<u>9,476,413</u>	<u>-</u>
Fund balance, end of year	<u>\$ 9,462,194</u>	<u>\$ 8,976,475</u>	<u>\$ 9,394,353</u>	<u>\$ 417,878</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, 2011

Assets

Current assets:

Cash and cash equivalents	\$ 3,653,696
Investments	1,798,561
Accounts receivable	27,899
Inventory	28,202
Prepaid items	40,362
	40,362

Total current assets 5,548,720

Noncurrent assets - capital assets, net 2,014,592

Total assets 7,563,312

Liabilities

Current liabilities:

Accounts payable and accrued liabilities	67,467
Current portion of claims payable	128,000
	128,000

Total current liabilities 195,467

Noncurrent liabilities - claims payable, net 191,632

Total liabilities 387,099

Net assets

Invested in capital assets	2,014,592
Unrestricted	5,161,621
	5,161,621

Total net assets \$ 7,176,213

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, 2011

Operating revenues	
Charges for services	<u>\$ 2,091,620</u>
Operating expenses	
Salaries, taxes and benefits	207,661
Gas, oil and fuel	119,641
Depreciation	375,875
Operation and maintenance	140,170
Contractual services and fees	222,117
Insurance and other	53,508
Benefits and claims	<u>716,108</u>
Total operating expenses	<u>1,835,080</u>
Operating income	<u>256,540</u>
Nonoperating revenues	
Investment income	38,733
Gain on sale of equipment	<u>25,109</u>
Total nonoperating revenues	<u>63,842</u>
Income before transfers and contributions	320,382
Transfers out	(207,180)
Capital contributions	<u>340,250</u>
Change in net assets	453,452
Net assets, beginning of year	<u>6,722,761</u>
Net assets, end of year	<u><u>\$ 7,176,213</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, 2011

	Total
Cash flows from operating activities	
Cash received from interfund services	\$ 2,072,741
Cash payments to employees	(207,661)
Cash payments for claims	(1,400,224)
Cash payments to suppliers for goods and services	(513,500)
Net cash used in operating activities	(48,644)
 Cash flows from noncapital financing activities	
Transfer to other funds	(207,180)
 Cash flows from capital and related financing activities	
Purchase of capital assets	(457,422)
Proceeds from sale of capital assets	25,109
Net cash used by capital and related financing activities	(432,313)
 Cash flows from investing activities	
Redemption of investments	100,438
Purchase of investments	(238,228)
Investment income	38,733
Net cash used in investing activities	(99,057)
Net decrease in cash and cash equivalents	(787,194)
Cash and cash equivalents, beginning of year	4,440,890
Cash and cash equivalents, end of year	\$ 3,653,696
 Reconciliation of operating income to net cash used in operating activities	
Operating income	\$ 256,540
Adjustments to reconcile operating income to net cash used in operating activities:	
Depreciation	375,875
Changes in assets and liabilities:	
Accounts receivable	(18,879)
Inventory	(11,895)
Prepaid items	(848)
Accounts payable and accrued liabilities	(330,069)
Claims payable	(319,368)
Net cash used by operating activities	\$ (48,644)
 Noncash	
Capital contributions	\$ 340,250

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

CITY OF YPSILANTI, MICHIGAN
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	<u>Police and Fire Retirement System Trust</u>	<u>Current Tax Agency Fund</u>
Assets		
Cash and cash equivalents	\$ 2,705,149	\$ 100,084
Investments:		
U.S. agencies	3,066,009	-
Corporate bonds	4,164,439	-
Domestic equities	12,271,057	-
International equities	867,382	-
American depository receipts	51,907	
Mutual funds	6,755,825	
Real estate investment trusts	425,344	-
Money market accounts	810,311	-
Accrued interest receivable	883	-
	<u>31,118,306</u>	<u>\$ 100,084</u>
Total assets		
Liabilities		
Undistributed receipts	-	\$ 100,084
Accounts payable	391,900	-
	<u>391,900</u>	<u>\$ 100,084</u>
Total liabilities		
Net assets		
Held in trust for pension benefits	<u>\$ 30,726,406</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 - Police and Fire Retirement System Trust Fund
For the Year Ended June 30, 2011

Additions

Investment income:

Net appreciation in fair value of investments	\$ 4,535,994
Interest and dividends	758,066
Less investment management fees	<u>(90,776)</u>

Total investment income	<u>5,203,284</u>
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Contributions:

City of Ypsilanti	1,018,284
Participants	<u>374,961</u>

Total contributions	<u>1,393,245</u>
---------------------	------------------

Total additions	<u>6,596,529</u>
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Deductions

Participant benefits	2,363,626
Participant refunds	337,937
Administrative expenses	<u>56,086</u>

Total deductions	<u>2,757,649</u>
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Net additions to net assets held in trust for benefits	3,838,880
--	-----------

Net assets held in trust for pension benefits, beginning of year	<u>26,887,526</u>
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Net assets held in trust for pension benefits, end of year	<u><u>\$ 30,726,406</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, 2011

	Downtown Development Authority	Depot Town Downtown Development Authority	Economic Development Corporation	Brownfield Redevelopment Authority	Totals
Assets					
Cash and cash equivalents	\$ 357,369	\$ 431,554	\$ 209,950	\$ 30,185	\$ 1,029,058
Accounts receivable	20,000	-	-	-	20,000
Capital assets not being depreciated	-	-	53,200	-	53,200
Capital assets being depreciated, net	2,105,042	104,301	-	-	2,209,343
Total assets	2,482,411	535,855	263,150	30,185	3,311,601
Liabilities					
Accounts payable	5,011	9,330	-	-	14,341
Accrued liabilities	16,892	26	-	-	16,918
Due to other governments	365	11,860	72,164	-	84,389
Unearned revenues	-	15,000	-	15,300	30,300
Long-term liabilities:					
Due within one year	111,795	16,342	-	-	128,137
Due in more than one year	925,000	62,909	-	-	987,909
Total liabilities	1,059,063	115,467	72,164	15,300	1,261,994
Net assets					
Invested in capital assets, net of related debt	1,070,042	26,030	53,200	-	1,149,272
Restricted for capital projects	10,758	-	-	-	10,758
Unrestricted	342,548	394,358	137,786	14,885	889,577
Total net assets	\$ 1,423,348	\$ 420,388	\$ 190,986	\$ 14,885	\$ 2,049,607

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, 2011

	<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	\$ 314,420	\$ 78,194	\$ 2,028	\$ 71,354	\$ 465,996
General revenues					
Property taxes	343,529	120,960	-	70,684	535,173
Other revenue	3,575	15,000	-	-	18,575
Unrestricted investment earnings	1,460	1,776	1,042	190	4,468
Total general revenues	348,564	137,736	1,042	70,874	558,216
Change in net assets	34,144	59,542	(986)	(480)	92,220
Net assets, beginning of year	1,389,204	360,846	191,972	15,365	1,957,387
Net assets, end of year	<u>\$ 1,423,348</u>	<u>\$ 420,388</u>	<u>\$ 190,986</u>	<u>\$ 14,885</u>	<u>\$ 2,049,607</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, committed or assigned 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.

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. Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the City Council; a formal resolution of the City Council is required to establish, modify, or rescind a fund balance commitment. Assigned fund balance is reported in instances where the City Council has given authority for the making of such assignments to City management; assigned fund balances are neither restricted nor committed. Unassigned fund balance is the residual classification for the general fund.

City of Ypsilanti, Michigan

Notes To Financial Statements

When the government incurs expenditures for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed, assigned and finally unassigned fund balance.

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.

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, 2011, 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.

City of Ypsilanti, Michigan

Notes To Financial Statements

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

Current year building permit revenue	\$	120,923
Less related expenditures:		
Direct costs		278,145
Estimated indirect costs		35,996
Current year shortfall		(193,218)
Cumulative shortfall, beginning of year		(521,727)
Cumulative shortfall, end of year	\$	(714,945)

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, 2011:

	Primary Governments	Component Units	Total
Statement of net assets			
Cash and cash equivalents	\$ 18,026,454	\$ 1,029,058	\$ 19,055,512
Investments	3,500,429	-	3,500,429
Statement of fiduciary net assets			
Cash and cash equivalents:			
Pension trust fund	2,705,149	-	2,705,149
Agency fund	100,084	-	100,084
Investments - pension trust fund	28,412,274	-	28,412,274
	\$ 52,744,390	\$ 1,029,058	\$ 53,773,448
Deposits and investments:			
Bank deposits (checking, savings and certificates of deposit)			\$ 21,852,820
Investments in securities, mutual funds and similar vehicles:			
City investment pool			3,500,429
Pension trust fund			28,412,274
Cash on hand			7,925
Total			\$ 53,773,448

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, 2011, \$21,424,454 of the City's total bank balance of \$22,174,455 (total book balance was \$21,852,820) 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, 2011, 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, 2011, 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, 2011, the investment portfolio of U.S. agencies was concentrated 100% in Federal National Mortgage Association. The City's investment policy does not address concentration of credit risk.

Interest Rate Risk. As of June 30, 2011, 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, 2011:

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

U.S. agencies	\$ 3,066,009
Corporate bonds	4,164,439
Domestic equities	12,271,057
International equities	867,382
American depository receipts	51,907
Mutual funds	6,755,825
Domestic real estate investment trusts	425,344
Money market accounts	<u>810,311</u>

Total investments \$ 28,412,274

Credit Risk. As of June 30, 2011, the System's investments in U.S. agencies were rated Aaa by Moody's Investor Services and its domestic corporate bonds were rated as follows:

<u>Rating</u>	
Aa2	\$ 220,873
Aa3	311,255
A1	242,914
A2	929,332
A3	671,804
Baa1	223,482
Baa2	640,430
Baa3	659,484
Ba1	<u>264,865</u>
Totals	<u><u>\$ 4,164,439</u></u>

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

City of Ypsilanti, Michigan

Notes To Financial Statements

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

Concentration of Credit Risk. At June 30, 2011, 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	5.3%

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, 2011, 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	\$ 3,066,009	\$ -	\$ -	\$ 62,904	\$ 3,003,105
Corporate bonds	4,164,439	-	1,485,930	1,542,647	1,135,862
	<u>\$ 7,230,448</u>	<u>\$ -</u>	<u>\$ 1,485,930</u>	<u>\$ 1,605,551</u>	<u>\$ 4,138,967</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 (U.S. dollars)</u>
International equities		
Cayman Islands	Cayman Island dollar	\$ 57,943
France	European euro	91,413
Ireland	European euro	194,455
Netherlands	European euro	345,746
Puerto Rico	U.S dollar	68,685
Singapore	Singapore dollar	<u>109,140</u>
Total		<u><u>\$ 867,382</u></u>

In addition to the above, the System's holdings in mutual funds are primarily composed of underlying investments in international equities (approximately 69% of total mutual fund holdings of \$6,755,825), predominately in Japanese, European and other Asian companies. The residual mutual fund underlying investments are in gold, cash and cash equivalents, international bonds and U.S. equities.

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 (5.9% of which will be collected in one year), 3.5% due from other governments and 1.5% other receivables.

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	-	180,491	180,491
	\$ 218,966	\$ 180,491	\$ 399,457

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	224,483	2,446,656	(1,930,074)	741,065
	984,926	2,446,656	(1,930,074)	1,501,508
Capital assets, being depreciated:				
Infrastructure	38,165,642	1,930,074	(2,948,655)	37,147,061
Buildings and improvements	6,581,348	440,322	-	7,021,670
Vehicles and equipment	7,584,593	829,113	(481,658)	7,932,048
Total capital assets being depreciated	52,331,583	3,199,509	(3,430,313)	52,100,779
Less accumulated depreciation for:				
Infrastructure	19,266,524	2,085,202	(2,948,655)	18,403,071
Buildings and improvements	2,934,158	177,140	-	3,111,298
Vehicles and equipment	5,722,844	450,435	(482,692)	5,690,587
Total accumulated depreciation	27,923,526	2,712,777	(3,431,347)	27,204,956
Total capital assets, being depreciated, net	24,408,057	486,732	1,034	24,895,823
Governmental activities capital assets, net	\$ 25,392,983	\$ 2,933,388	\$ (1,929,040)	\$ 26,397,331

City of Ypsilanti, Michigan

Notes To Financial Statements

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

Governmental activities:	
General government	\$ 40,209
Public safety	102,978
Public works	9,482
Highways, streets and bridges	2,093,282
Culture and recreation	90,951
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	375,875
Total depreciation expense - governmental activities	<u><u>\$ 2,712,777</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	1,193,124	62,299	-	1,255,423
Total capital assets, being depreciated, net	2,271,642	(62,299)	-	2,209,343
Component units capital assets, net	\$ 2,324,842	\$ (62,299)	\$ -	\$ 2,262,543

3-E. Payables

Payables in the governmental activities are 20.0% accrued liabilities, 20.8% property tax refunds, 24.4% interest, 13.1% claims, 18.9% vendors, and 2.8% 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, there was \$103,558 of interfund receivable in the general fund and a matching amount of interfund payables in the nonmajor governmental funds.

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.

	Transfers In		
	<u>General fund</u>	<u>Nonmajor funds</u>	<u>Totals</u>
Transfers Out			
General fund	\$ -	\$ 1,139,978	\$ 1,139,978
Nonmajor funds	13,642	278,243	291,885
Internal service funds	-	207,180	207,180
	<u>\$ 13,642</u>	<u>\$ 1,625,401</u>	<u>\$ 1,639,043</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.

The City is currently involved in various tax appeals pending before the Michigan Tax Tribunal. The appeals cover various commercial and industrial properties for the years 2005 through 2011. Due to the large number of appeals currently before the Tribunal, the time frame for resolution of these matters is unknown at this time. An estimate of the City's maximum exposure is \$1.1 million dollars. The City is vigorously defending all such litigation.

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, \$3,830,000 of 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)	\$ 4,270,000	\$ -	\$(4,270,000)	\$ -	\$ -
2010 refunding bonds	-	3,830,000	-	3,830,000	605,000
2002 capital improvements	245,000	-	(25,000)	220,000	25,000
2003 capital improvements	5,550,000	-	(495,000)	5,055,000	515,000
2006 remediation of property held for resale and related project	15,740,000	-	(285,000)	15,455,000	335,000
	\$25,805,000	\$3,830,000	\$(5,075,000)	\$ 24,560,000	\$ 1,480,000

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

	Principal	Interest
2012	\$ 1,480,000	\$ 1,223,547
2013	1,575,000	1,171,261
2014	1,665,000	1,113,806
2015	1,760,000	1,049,804
2016	1,835,000	979,792
2017-2021	6,190,000	3,866,889
2022-2026	4,280,000	2,374,902
2027-2031	5,775,000	1,116,930
	\$ 24,560,000	\$12,896,931

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, \$26,253 of bonds were issued and \$42,224 were forgiven from repayment under a federal program. Revenue bonds outstanding at year-end are as follows:

	Beginning Balance	Additions	Forgiven	Reductions	Ending Balance	Due Within One Year
2001 Water & Sewer System	\$ 1,065,000	\$ -	\$ -	\$ (60,000)	\$ 1,005,000	\$ 65,000
2002-A Water & Sewer System	1,255,000	-	-	(70,000)	1,185,000	85,000
2002-B Water & Sewer System (DWRF)	330,000	-	-	(25,000)	305,000	25,000
2002-C Water & Sewer System	4,060,000	-	-	(255,000)	3,805,000	270,000
2003-A Water & Sewer System	2,555,000	-	-	(510,000)	2,045,000	510,000
2003-B Water & Sewer System	1,360,000	-	-	(40,000)	1,320,000	40,000
2003-C Water & Sewer System (DWRF)	590,000	-	-	(35,000)	555,000	35,000
2003-D Water & Sewer System (DWRF)	3,975,000	-	-	(240,000)	3,735,000	245,000
2004-A Water & Sewer System	2,405,000	-	-	(65,000)	2,340,000	70,000
2004-B Water & Sewer System (DWRF)	4,990,000	-	-	(285,000)	4,705,000	290,000
2006 Water & Sewer Refunding Bonds	9,845,000	-	-	(25,000)	9,820,000	25,000
2007 Water & Sewer System (DWRF)	273,702	-	-	(10,000)	263,702	10,000
2008 Water & Sewer System (DWRF)	419,253	-	-	(20,000)	399,253	20,000
2009 Water & Sewer System (DWRF)	155,000	26,253	(42,224)	(5,000)	134,029	5,000
	<u>\$33,277,955</u>	<u>\$ 26,253</u>	<u>\$ (42,224)</u>	<u>\$ (1,645,000)</u>	<u>\$31,616,984</u>	<u>\$1,695,000</u>

DWRF = Drinking Water Revolving Fund (State of Michigan)

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

	<u>Principal</u>	<u>Interest</u>
2012	\$ 1,695,000	\$ 1,097,629
2013	1,765,000	1,042,982
2014	1,820,000	982,640
2015	1,880,000	918,814
2016	1,765,000	854,906
2017-2021	9,805,000	3,307,249
2022-2026	10,065,000	1,443,324
2027-2029	2,821,984	110,857
	<u>\$ 31,616,984</u>	<u>\$ 9,758,401</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	\$ -
Biltmore Agreement	340,000	-	-	340,000	-
	\$ 3,090,350	\$ -	\$ -	\$ 3,090,350	\$ -

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

	Principal	Interest
2012	\$ -	\$ -
2013	-	-
2014	-	-
2015	-	-
2016	150,000	30,000
2017-2021	690,000	217,400
2022-2025	1,910,350	67,400
	2,750,350	314,800
Biltmore Agreement	340,000	-
	\$ 3,090,350	\$ 314,800

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, 2011 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
1994 Downtown Development Limited	\$ 280,000	\$ -	\$ (60,000)	\$ 220,000	\$ 65,000
2004-A Downtown Development Limited	855,000	-	(40,000)	815,000	45,000
	\$ 1,135,000	\$ -	\$ (100,000)	\$ 1,035,000	\$ 110,000

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
2012	\$ 110,000	\$ 48,450
2013	125,000	42,708
2014	130,000	35,968
2015	55,000	28,948
2016	55,000	26,858
2017-2021	325,000	97,600
2022-2024	235,000	21,850
	\$ 1,035,000	\$ 302,382

Component unit revenue bonds outstanding at June 30, 2011 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2000 Depot Town Downtown Development	\$ 93,442	\$ -	\$ (15,171)	\$ 78,271	\$ 16,128

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

	Principal	Interest
2012	\$ 16,128	\$ 4,417
2013	17,091	3,410
2014	18,157	2,357
2015	19,275	1,237
2016	7,620	2,357
	\$ 78,271	\$ 13,778

City of Ypsilanti, Michigan

Notes To Financial Statements

Changes in Long-Term Debt. Long-term debt activity for the year ended June 30, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Forgiven</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Primary Government</u>						
General obligation bonds	\$ 25,805,000	\$ 3,830,000	\$ -	\$ (5,075,000)	\$ 24,560,000	\$ 1,480,000
Revenue bonds	33,277,955	26,253	(42,224)	(1,645,000)	31,616,984	1,695,000
Installment obligations	3,090,350	-	-	-	3,090,350	-
Compensated absences	1,053,402	895,392	-	(927,162)	1,021,632	927,162
	<u>\$ 63,226,707</u>	<u>\$ 4,751,645</u>	<u>\$ (42,224)</u>	<u>\$ (7,647,162)</u>	<u>\$ 60,288,966</u>	<u>\$ 4,102,162</u>
<u>Component Units</u>						
General obligation bonds	\$ 1,135,000	\$ -	\$ -	\$ (100,000)	\$ 1,035,000	\$ 110,000
Revenue bonds	93,442	-	-	(15,171)	78,271	16,128
Compensated absences	3,481	2,775	-	(3,481)	2,775	2,009
	<u>\$ 1,231,923</u>	<u>\$ 2,775</u>	<u>\$ -</u>	<u>\$ (118,652)</u>	<u>\$ 1,116,046</u>	<u>\$ 128,137</u>

For the governmental activities, compensated absences, net pension benefit obligations and net other postemployment benefit obligations, if any, are generally liquidated by the general fund.

During the year, the City issued \$3,830,000 of refunding bonds to defease \$3,750,000 of bonds by placing the proceeds of the refunding bonds in irrevocable trust for the purpose of generating resources for all future debt service payments on the refunded debt. As a result, the refunded bonds are considered to be defeased and the related liabilities have been removed from the statement of net assets. The refunding decreased future debt service payments by \$304,699 and resulted in an economic gain of \$220,611.

City of Ypsilanti, Michigan

Notes To Financial Statements

3-I. Committed Fund Balance

The components of the committed fund balance in the City's general fund are as follows:

Committed fund balance	
Active employees cumulative benefits	\$ 1,021,633
Water Street project bond payments	3,919,182
COPS hiring recovery program	192,000
Water Street redevelopment professional fees	75,000
Energy efficiency and conservation project	254,426
Peninsular dam inspection study and repair	100,000
Washington street lot improvements	<u>17,000</u>
Total committed fund balance	<u><u>\$ 5,579,241</u></u>

3-J. Net Assets Invested in Capital Assets, Net of Related Debt

Net assets of the governmental activities were comprised of the following at June 30, 2011:

Capital assets not being depreciated	\$ 1,501,508
Capital assets being depreciated, net	24,895,823
General obligation bonds	(24,560,000)
Revenue bonds	(31,616,984)
Installment obligations	(3,090,350)
Add back debt that did not produce City capital assets:	
General obligation bonds	15,455,000
Revenue bonds	31,616,984
Installment obligations	<u>2,750,350</u>
Total invested in capital assets, net of related debt	<u><u>\$ 16,952,331</u></u>

City of Ypsilanti, Michigan

Notes To Financial Statements

NOTE 4 – OTHER INFORMATION

4-A. Risk Management

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

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

The City estimates the liability for workers' compensation claims that have been incurred through the end of the fiscal year, including claims that have been reported as well as those that have not yet been reported. Changes in the estimated liability for the past two fiscal years were as follows (approximately 40 percent of the total liability is classified as current, the remaining as noncurrent):

	<u>2011</u>	<u>2010</u>
Estimated liability, beginning of year	\$ 639,000	\$ 639,000
Estimated claims incurred, including changes in estimates	(212,667)	63,629
Claim payments	<u>(106,701)</u>	<u>(63,629)</u>
Estimated liability, end of year	<u>\$ 319,632</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 2010 levy was \$329,993,209. The government's general operating tax rate for fiscal 2010-11 was 19.0211 mills plus 2.7814 mills for sanitation, 4.3933 mills for streets and 5.3356 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.

City of Ypsilanti, Michigan

Notes To Financial Statements

4-C. 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 25.64% of covered payroll.

The annual pension cost (APC) for the year ended June 30, 2011 is \$1,018,284. The annual pension cost was equal to the City's required and actual contribution. 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, 2010, 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>
2009	\$ 946,937	100%	\$ -
2010	968,212	100%	-
2011	1,018,284	100%	-

City of Ypsilanti, Michigan

Notes To Financial Statements

The funded status of the pension portion of the System as of June 30, 2010, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	(1)	\$ 42,135,741	
Actuarial value of assets	(2)	<u>31,649,135</u>	
Unfunded AAL (UAAL)	(3)	<u>\$ 10,486,606</u>	(1) - (2)
Funded ratio	(4)	<u>75.1%</u>	(2) / (1)
Covered payroll	(5)	<u>\$ 3,975,109</u>	
UAAL as % of covered payroll	(6)	<u>263.8%</u>	(2) / (5)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and mortality. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, 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, 2010, 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

The actuarial assumptions include: 8.0% investment rate of return; 4.5% - 15.0% projected salary increases; 4.5% assumed rate of payroll growth; and no cost-of-living inflationary adjustments to benefits.

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 5.0% of annual compensation. The City was required to make a minimal contribution of \$444 to the plan for the year ended June 30, 2011. This was determined as part of an actuarial valuation at December 31, 2009, using the entry age normal cost method. Similarly, employer contributions were not required the prior two years.

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.

The funded status of the pension portion of the System as of December 31, 2010, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	(1)	\$ 11,787,614	
Actuarial value of assets	(2)	<u>17,795,672</u>	
Unfunded AAL (UAAL)	(3)	<u>\$ (6,008,058)</u>	(1) - (2)
Funded ratio	(4)	<u>151.0%</u>	(2) / (1)
Covered payroll	(5)	<u>\$ 2,089,039</u>	
UAAL as % of covered payroll	(6)	<u>-287.6%</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-D. Other 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 126 retirees that were eligible and receiving benefits for the year ended June 30, 2011.

Funding Policy. The City has no obligation to make contributions in advance of when the insurance premiums or benefits are due for payment; in other words, the plan may be financed on a pay-as-you-go basis. Administrative costs of the plan are paid for by the City's general fund. Plan participants are not required to contribute to the plan.

For the year ended June 30, 2011, the City paid benefits and made contributions to advance-fund the plan totaling \$949,197.

Funding Progress. For the year ended June 30, 2011, the City estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2010. 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 17.2% of annual covered payroll.

Annual OPEB Cost and Net OPEB Asset. For fiscal 2011, 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	\$ 989,774
Interest on net OPEB obligation	(25,202)
Adjustment to annual required contribution	26,948
Annual OPEB cost (expense)	<u>991,520</u>
Contributions made	<u>(949,195)</u>
Decrease in net OPEB obligation	42,325
Net OPEB obligation (asset), beginning of year	<u>(315,024)</u>
Net OPEB obligation (asset), end of year	<u><u>\$ (272,699)</u></u>

City of Ypsilanti, Michigan

Notes To Financial Statements

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three 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
6/30/11	991,520	949,197	95.7%	272,699

Funded Status. The funded status of the plan as of December 31, 2010, the date of the latest actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	\$ 12,121,822
Actuarial value of assets	<u>3,019,998</u>
Unfunded AAL (UAAL)	<u>\$ 9,101,824</u>
Funded ratio	<u>24.9%</u>
Covered payroll	<u>\$ 5,767,671</u>
UAAL as % of covered payroll	<u>157.8%</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:

City of Ypsilanti, Michigan

Notes To Financial Statements

Actuarial valuation date	12/31/2010
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
General inflation rate	2.5%

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, 2011, 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%
2010	31,649,135	42,135,741	10,486,606	75.1%	3,975,109	263.8%

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%
2011	1,014,866	1,014,866	100.00%

CITY OF YPSILANTI, MICHIGAN
Municipal Employees Retirement System of Michigan

Required Supplementary Information

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date <u>December 31,</u>	(1) <u>Actuarial Value of Assets</u>	(2) <u>Actuarial Accrued Liability (AAL) Entry Age</u>	(3) <u>Unfunded AAL (Overfunded) (UAAL) (2-1)</u>	(4) <u>Funded Ratio (1/2)</u>	(5) <u>Covered Payroll</u>	(6) <u>UAAL as a % of Covered Payroll (3/5)</u>
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%
2010	17,795,672	11,787,614	(6,008,058)	151.0%	2,089,039	-287.6%

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%
2011	-	-	0.00%

CITY OF YPSILANTI, MICHIGAN
Other Postemployment Health Care Benefits

Required Supplementary Information

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date <u>December 31,</u>	(1) <u>Actuarial Value of Assets</u>	(2) <u>Actuarial Accrued Liability (AAL) Entry Age</u>	(3) <u>Unfunded AAL (UAAL) (2-1)</u>	(4) <u>Funded Ratio (1/2)</u>	(5) <u>Covered Payroll</u>	(6) <u>UAAL as a % of Covered Payroll (3/5)</u>
2009	\$ 1,414,918	\$ 12,430,962	\$ 11,016,044	11.4%	\$ 6,028,949	182.7%
2010	3,019,998	12,121,822	9,101,824	24.9%	5,767,671	157.8%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Year Ended June 30,</u>	<u>Annual Required Contribution</u>	<u>Annual Actual Contribution</u>	<u>Percentage Contributed</u>
2009	\$ 1,192,998	\$ 1,483,485	124.3%
2010	1,192,998	1,218,188	102.1%
2011	989,774	949,195	95.9%

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

CITY OF YPSILANTI, MICHIGAN
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

	Special Revenue	Debt Service	Capital Projects	Totals
<u>ASSETS</u>				
Cash and cash equivalents	\$ 2,789,241	\$ 1,967,587	\$ 1,917,260	\$ 6,674,088
Investments	3,683	-	-	3,683
Accounts receivable	48,572	-	26,689	75,261
Land held for resale	-	-	2,700,608	2,700,608
Due from other governments	183,632	-	53,100	236,732
Prepaid items	-	-	8,081	8,081
	<u>\$ 3,025,128</u>	<u>\$ 1,967,587</u>	<u>\$ 4,705,738</u>	<u>\$ 9,698,453</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 115,123	\$ 30,041	\$ 31,226	\$ 176,390
Accrued liabilities	30,557	-	-	30,557
Due to other funds	-	103,558	-	103,558
Tax refunds payable	45,177	67,176	-	112,353
Deferred revenue	-	-	34,415	34,415
	190,857	200,775	65,641	457,273
Fund Balances				
Nonspendable:				
Prepays	-	-	8,081	8,081
Land held for resale	-	-	2,700,608	2,700,608
Restricted for:				
Major and local streets	2,209,165	-	-	2,209,165
Drug law enforcement	625,106	-	-	625,106
Debt service	-	1,766,812	1,070,695	2,837,507
Committed for capital projects	-	-	860,713	860,713
	2,834,271	1,766,812	4,640,097	9,241,180
	<u>\$ 3,025,128</u>	<u>\$ 1,967,587</u>	<u>\$ 4,705,738</u>	<u>\$ 9,698,453</u>

CITY OF YPSILANTI, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2011

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
Revenues				
Taxes and special assessments	\$ 828,925	\$ 1,355,591	\$ -	\$ 2,184,516
Licenses and permits	16,120	-	52,593	68,713
Intergovernmental	1,725,950	1,293,372	1,680,717	4,700,039
Investment earnings	15,385	1,859	11,734	28,978
Other revenues	142,185	894	5,833	148,912
	<u>2,728,565</u>	<u>2,651,716</u>	<u>1,750,877</u>	<u>7,131,158</u>
Expenditures				
General government	-	-	472,226	472,226
Public safety	303,105	-	34,635	337,740
Public works	-	-	128,737	128,737
Refuse collection	1,065,037	-	-	1,065,037
Highways, streets and bridges	1,592,516	-	-	1,592,516
Debt service:				
Principal	-	1,960,000	1,010,000	2,970,000
Interest and fiscal charges	-	752,842	1,733,027	2,485,869
Bond issuance costs	-	75,847	-	75,847
	<u>2,960,658</u>	<u>2,788,689</u>	<u>3,378,625</u>	<u>9,127,972</u>
Revenues under expenditures	<u>(232,093)</u>	<u>(136,973)</u>	<u>(1,627,748)</u>	<u>(1,996,814)</u>
Other financing sources (uses)				
Issuance of bonds	-	-	26,253	26,253
Issuance of refunding bonds	-	3,830,000	-	3,830,000
Payment to refunding bond escrow agent	-	(3,749,306)	-	(3,749,306)
Transfers in	377,737	115,018	1,132,646	1,625,401
Transfers out	(212,016)	(79,869)	-	(291,885)
	<u>165,721</u>	<u>115,843</u>	<u>1,158,899</u>	<u>1,440,463</u>
Net changes in fund balances	(66,372)	(21,130)	(468,849)	(556,351)
Fund balances, beginning of year	<u>2,900,643</u>	<u>1,787,942</u>	<u>5,108,946</u>	<u>9,797,531</u>
Fund balances, end of year	<u><u>\$ 2,834,271</u></u>	<u><u>\$ 1,766,812</u></u>	<u><u>\$ 4,640,097</u></u>	<u><u>\$ 9,241,180</u></u>

CITY OF YPSILANTI, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2011

	<u>Major Streets</u>	<u>Local Streets</u>	<u>Garbage and Rubbish Collection</u>	<u>Police</u>	<u>Total</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$ 1,439,248	\$ 600,058	\$ 117,931	\$ 632,004	\$ 2,789,241
Investments	3,683	-	-	-	3,683
Accounts receivable	47,569	120	-	883	48,572
Due from other governments	138,808	44,824	-	-	183,632
	<u>\$ 1,629,308</u>	<u>\$ 645,002</u>	<u>\$ 117,931</u>	<u>\$ 632,887</u>	<u>\$ 3,025,128</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities					
Accounts payable	\$ 34,768	\$ 13,797	\$ 66,558	\$ -	\$ 115,123
Accrued liabilities	9,137	7,443	6,196	7,781	30,557
Tax refunds payable	-	-	45,177	-	45,177
	<u>43,905</u>	<u>21,240</u>	<u>117,931</u>	<u>7,781</u>	<u>190,857</u>
Fund balances					
Restricted for:					
Major and local streets	1,585,403	623,762	-	-	2,209,165
Drug law enforcement	-	-	-	625,106	625,106
	<u>1,585,403</u>	<u>623,762</u>	<u>-</u>	<u>625,106</u>	<u>2,834,271</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 1,629,308</u>	<u>\$ 645,002</u>	<u>\$ 117,931</u>	<u>\$ 632,887</u>	<u>\$ 3,025,128</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, 2011

	Major Streets	Local Streets	Garbage and Rubbish Collection	Police	Total
Revenues					
Taxes and special assessments	\$ -	\$ -	\$ 828,925	\$ -	\$ 828,925
Licenses and permits	11,000	5,120	-	-	16,120
Intergovernmental	1,448,139	277,811	-	-	1,725,950
Investment earnings	6,782	1,801	1,058	5,744	15,385
Other revenues	-	84,864	27,874	29,447	142,185
Total revenues	1,465,921	369,596	857,857	35,191	2,728,565
Expenditures					
Public safety	-	-	-	303,105	303,105
Refuse collection	-	-	1,065,037	-	1,065,037
Highways, streets and bridges	1,229,650	362,866	-	-	1,592,516
Total expenditures	1,229,650	362,866	1,065,037	303,105	2,960,658
Revenues over (under) expenditures	236,271	6,730	(207,180)	(267,914)	(232,093)
Other financing sources (uses)					
Transfers in	2,534	168,023	207,180	-	377,737
Transfers out	(167,277)	-	-	(44,739)	(212,016)
Total other financing sources (uses)	(164,743)	168,023	207,180	(44,739)	165,721
Net changes in fund balances	71,528	174,753	-	(312,653)	(66,372)
Fund balances, beginning of year	1,513,875	449,009	-	937,759	2,900,643
Fund balances, end of year	\$ 1,585,403	\$ 623,762	\$ -	\$ 625,106	\$ 2,834,271

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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Over (Under)</u>
Revenues				
Licenses and permits	\$ 6,000	\$ 11,150	\$ 11,000	\$ (150)
Intergovernmental - state	1,090,460	1,393,647	1,448,139	54,492
Investment earnings	6,000	5,900	6,782	882
	<u>1,102,460</u>	<u>1,410,697</u>	<u>1,465,921</u>	<u>55,224</u>
Expenditures				
Public works:				
Street construction	539,500	649,410	610,956	(38,454)
Routine maintenance	368,871	359,887	280,330	(79,557)
Routine maintenance - bridges	3,000	256	256	-
Traffic services	89,436	106,640	86,326	(20,314)
Winter maintenance	151,738	127,928	81,735	(46,193)
Administration	45,484	43,742	50,877	7,135
Trunkline maintenance	147,382	173,235	119,170	(54,065)
	<u>1,345,411</u>	<u>1,461,098</u>	<u>1,229,650</u>	<u>(231,448)</u>
Revenues over (under) expenditures	<u>(242,951)</u>	<u>(50,401)</u>	<u>236,271</u>	<u>286,672</u>
Other financing sources (uses)				
Transfers in	-	-	2,534	2,534
Transfers out	(168,192)	(164,152)	(167,277)	(3,125)
	<u>(168,192)</u>	<u>(164,152)</u>	<u>(164,743)</u>	<u>(591)</u>
Net changes in fund balance	(411,143)	(214,553)	71,528	286,081
Fund balance, beginning of year	<u>1,513,875</u>	<u>1,513,875</u>	<u>1,513,875</u>	<u>-</u>
Fund balance, end of year	<u><u>\$1,102,732</u></u>	<u><u>\$1,299,322</u></u>	<u><u>\$1,585,403</u></u>	<u><u>\$ 286,081</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, 2011

	<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	\$ 2,600	\$ 5,000	\$ 5,120	\$ 120
Intergovernmental - state	256,320	248,927	277,811	28,884
Investment earnings	1,400	1,800	1,801	1
Other revenues	73,500	85,053	84,864	(189)
	<u>333,820</u>	<u>340,780</u>	<u>369,596</u>	<u>28,816</u>
Expenditures				
Public works:				
Routine maintenance	306,452	297,719	225,198	(72,521)
Traffic services	37,891	38,730	26,506	(12,224)
Winter maintenance	195,926	157,480	96,372	(61,108)
Administration	24,583	24,958	14,790	(10,168)
	<u>564,852</u>	<u>518,887</u>	<u>362,866</u>	<u>(156,021)</u>
Revenues over (under) expenditures	(231,032)	(178,107)	6,730	184,837
Other financing sources				
Transfers in	168,192	164,152	168,023	3,871
Net changes in fund balance	(62,840)	(13,955)	174,753	188,708
Fund balance, beginning of year	449,009	449,009	449,009	-
Fund balance, end of year	<u><u>\$ 386,169</u></u>	<u><u>\$ 435,054</u></u>	<u><u>\$ 623,762</u></u>	<u><u>\$ 188,708</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, 2011

	<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	\$ 872,988	\$ 868,107	\$ 828,925	\$ (39,182)
Investment earnings	3,000	1,200	1,058	(142)
Other revenues	2,600	29,968	27,874	(2,094)
	<u>878,588</u>	<u>899,275</u>	<u>857,857</u>	<u>(41,418)</u>
Expenditures				
Refuse collection	1,145,439	1,120,644	1,065,037	(55,607)
Revenues (under) expenditures	(266,851)	(221,369)	(207,180)	14,189
Other financing sources				
Transfers in	266,851	221,369	207,180	(14,189)
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
Police Fund
For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Over (Under)</u>
Revenues				
Intergovernmental	\$ 2,000	\$ 2,000	\$ -	\$ (2,000)
Investment earnings	12,096	6,334	5,744	(590)
Other revenues	31,500	35,365	29,447	(5,918)
	<u>45,596</u>	<u>43,699</u>	<u>35,191</u>	<u>(8,508)</u>
Expenditures				
Public safety	277,325	309,227	303,105	(6,122)
Revenues (under) expenditures	(231,729)	(265,528)	(267,914)	(2,386)
Other financing uses				
Transfers out	(75,405)	(42,288)	(44,739)	(2,451)
Net changes in fund balance	(307,134)	(307,816)	(312,653)	(4,837)
Fund balance, beginning of year	937,759	937,759	937,759	-
Fund balance, end of year	<u><u>\$ 630,625</u></u>	<u><u>\$ 629,943</u></u>	<u><u>\$ 625,106</u></u>	<u><u>\$ (4,837)</u></u>

CITY OF YPSILANTI, MICHIGAN
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2011

	<u>2001 General Obligation Roads</u>	<u>2001 Revenue Bonds</u>	<u>2002-A Revenue Bonds</u>	<u>2002 General Obligation Bonds</u>	<u>2002-B Revenue Bonds</u>	<u>2002-C Revenue Bonds</u>	<u>Water Supply and Sewer Refunding</u>	<u>2003 Unlimited Tax Bonds</u>	<u>2010 Refunding Bonds</u>	<u>Total</u>
<u>ASSETS</u>										
Cash and cash equivalents	\$ -	\$ 383,488	\$ 437,318	\$ -	\$ 44,688	\$ 606,601	\$ 283,206	\$ 52,068	\$ 160,218	\$ 1,967,587
<u>LIABILITIES AND FUND BALANCES</u>										
Liabilities										
Accounts payable	\$ -	\$ 2,372	\$ 2,724	\$ -	\$ 292	\$ 3,844	\$ 1,741	\$ 9,602	\$ 9,466	\$ 30,041
Due to other funds	-	-	-	-	-	-	-	18,071	85,487	103,558
Tax refunds payable	-	-	-	-	-	-	-	33,946	33,230	67,176
Total liabilities	-	2,372	2,724	-	292	3,844	1,741	61,619	128,183	200,775
Fund balances										
Restricted for debt service	-	381,116	434,594	-	44,396	602,757	281,465	(9,551)	32,035	1,766,812
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ -</u>	<u>\$ 383,488</u>	<u>\$ 437,318</u>	<u>\$ -</u>	<u>\$ 44,688</u>	<u>\$ 606,601</u>	<u>\$ 283,206</u>	<u>\$ 52,068</u>	<u>\$ 160,218</u>	<u>\$ 1,967,587</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, 2011

	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	2010 Refunding Bonds	Total
Revenues										
Taxes and special assessments	\$ 673,576	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 682,015	\$ -	\$ 1,355,591
Intergovernmental	-	108,739	127,738	-	32,940	426,074	597,881	-	-	1,293,372
Investment earnings	547	138	137	-	-	125	112	787	13	1,859
Other revenue	443	-	-	-	-	-	-	451	-	894
Total revenues	674,566	108,877	127,875	-	32,940	426,199	597,993	683,253	13	2,651,716
Expenditures										
Debt service:										
Principal	520,000	60,000	70,000	25,000	25,000	255,000	510,000	495,000	-	1,960,000
Interest and fiscal charges	97,568	48,878	57,875	10,149	7,938	171,200	87,993	218,547	52,694	752,842
Bond issuance costs	-	-	-	-	-	-	-	-	75,847	75,847
Total expenditures	617,568	108,878	127,875	35,149	32,938	426,200	597,993	713,547	128,541	2,788,689
Revenues over (under) expenditures	56,998	(1)	-	(35,149)	2	(1)	-	(30,294)	(128,528)	(136,973)
Other financing sources (uses)										
Issuance of refunding bonds	-	-	-	-	-	-	-	-	3,830,000	3,830,000
Payment to refunding bond escrow agent	-	-	-	-	-	-	-	-	(3,749,306)	(3,749,306)
Transfers in	-	-	-	35,149	-	-	-	-	79,869	115,018
Transfers out	(79,869)	-	-	-	-	-	-	-	-	(79,869)
Total other financing sources (uses)	(79,869)	-	-	35,149	-	-	-	-	160,563	115,843
Net changes in fund balances	(22,871)	(1)	-	-	2	(1)	-	(30,294)	32,035	(21,130)
Fund balances, beginning of year	22,871	381,117	434,594	-	44,394	602,758	281,465	20,743	-	1,787,942
Fund balances, end of year	\$ -	\$ 381,116	\$ 434,594	\$ -	\$ 44,396	\$ 602,757	\$ 281,465	\$ (9,551)	\$ 32,035	\$ 1,766,812

CITY OF YPSILANTI, MICHIGAN
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2011

	<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	\$ 592,543	\$ 249,547	\$ -	\$ 340,550	\$ 163,249	\$ 433,263	\$ -
Accounts receivable	24,772	-	-	607	291	773	-
Land held for resale	-	-	44,520	-	-	-	84,445
Due from other governments	53,100	-	-	-	-	-	-
Prepaid items	8,081	-	-	-	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 678,496</u>	<u>\$ 249,547</u>	<u>\$ 44,520</u>	<u>\$ 341,157</u>	<u>\$ 163,540</u>	<u>\$ 434,036</u>	<u>\$ 84,445</u>
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities							
Accounts payable	\$ 18,877	\$ 5,957	\$ -	\$ 2,231	\$ 958	\$ 2,446	\$ -
Deferred revenue	34,415	-	-	-	-	-	-
	<u>53,292</u>	<u>5,957</u>	<u>-</u>	<u>2,231</u>	<u>958</u>	<u>2,446</u>	<u>-</u>
Fund balances							
Nonexpendable:							
Prepays	8,081	-	-	-	-	-	-
Land held for resale	-	-	44,520	-	-	-	84,445
Restricted for debt service	-	-	-	338,926	162,582	431,590	-
Committed for capital projects	617,123	243,590	-	-	-	-	-
Total fund balances	<u>625,204</u>	<u>243,590</u>	<u>44,520</u>	<u>338,926</u>	<u>162,582</u>	<u>431,590</u>	<u>84,445</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 678,496</u>	<u>\$ 249,547</u>	<u>\$ 44,520</u>	<u>\$ 341,157</u>	<u>\$ 163,540</u>	<u>\$ 434,036</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>
\$ -	\$ 87,427	\$ 50,440	\$ -	\$ -	\$ 241	\$ -	\$ -	\$ -	\$ -	\$ 1,917,260
-	156	90	-	-	-	-	-	-	-	26,689
1,560,116	-	-	80,416	931,111	-	-	-	-	-	2,700,608
-	-	-	-	-	-	-	-	-	-	53,100
-	-	-	-	-	-	-	-	-	-	8,081
<u>\$ 1,560,116</u>	<u>\$ 87,583</u>	<u>\$ 50,530</u>	<u>\$ 80,416</u>	<u>\$ 931,111</u>	<u>\$ 241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,705,738</u>

\$ -	\$ 421	\$ 336	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,226
-	-	-	-	-	-	-	-	-	-	34,415
-	421	336	-	-	-	-	-	-	-	65,641

-	-	-	-	-	-	-	-	-	-	8,081
1,560,116	-	-	80,416	931,111	-	-	-	-	-	2,700,608
-	87,162	50,194	-	-	241	-	-	-	-	1,070,695
-	-	-	-	-	-	-	-	-	-	860,713
<u>1,560,116</u>	<u>87,162</u>	<u>50,194</u>	<u>80,416</u>	<u>931,111</u>	<u>241</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,640,097</u>
<u>\$ 1,560,116</u>	<u>\$ 87,583</u>	<u>\$ 50,530</u>	<u>\$ 80,416</u>	<u>\$ 931,111</u>	<u>\$ 241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,705,738</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, 2011

	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							
Licenses and permits	\$ -	\$ 52,593	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	141,000	-	-	336,375	162,805	388,009	-
Investment earnings	2,186	1,025	-	-	112	-	-
Other revenues	5,833	-	-	-	-	-	-
Total revenues	<u>149,019</u>	<u>53,618</u>	<u>-</u>	<u>336,375</u>	<u>162,917</u>	<u>388,009</u>	<u>-</u>
Expenditures							
General government	472,226	-	-	-	-	-	-
Public safety	34,635	-	-	-	-	-	-
Public works	-	60,260	-	-	-	-	-
Debt service:							
Principal	-	-	-	240,000	65,000	285,000	-
Interest and fiscal charges	-	-	-	96,375	97,918	103,009	-
Total expenditures	<u>506,861</u>	<u>60,260</u>	<u>-</u>	<u>336,375</u>	<u>162,918</u>	<u>388,009</u>	<u>-</u>
Revenues over (under) expenditures	<u>(357,842)</u>	<u>(6,642)</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
Other financing sources							
Issuance of bonds	-	-	-	-	-	-	-
Transfers in	364,057	-	-	-	-	-	-
Total other financing sources	<u>364,057</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	6,215	(6,642)	-	-	(1)	-	-
Fund balances, beginning of year	618,989	250,232	44,520	338,926	162,583	431,590	84,445
Fund balances, end of year	<u><u>\$ 625,204</u></u>	<u><u>\$ 243,590</u></u>	<u><u>\$ 44,520</u></u>	<u><u>\$ 338,926</u></u>	<u><u>\$ 162,582</u></u>	<u><u>\$ 431,590</u></u>	<u><u>\$ 84,445</u></u>

2003-B Capital Improvement	2003-B Water and Sewer	2003-C Water and Sewer	2004-A General Obligation	2004-B General Obligation	2006 General Obligation	2006 Water and Sewer Refunding	2007 Water and Sewer DWRF	2008 Water and Sewer DWRF	2009 Water and Sewer DWRF	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,593
-	92,150	49,313	-	-	-	422,900	15,710	30,231	42,224	1,680,717
-	153	-	-	-	768	-	-	-	7,490	11,734
-	-	-	-	-	-	-	-	-	-	5,833
-	92,303	49,313	-	-	768	422,900	15,710	30,231	49,714	1,750,877
-	-	-	-	-	-	-	-	-	-	472,226
-	-	-	-	-	-	-	-	-	-	34,635
-	-	-	-	-	-	-	-	-	68,477	128,737
-	40,000	35,000	-	-	285,000	25,000	10,000	20,000	5,000	1,010,000
-	52,303	14,313	-	-	952,778	397,900	5,710	10,231	2,490	1,733,027
-	92,303	49,313	-	-	1,237,778	422,900	15,710	30,231	75,967	3,378,625
-	-	-	-	-	(1,237,010)	-	-	-	(26,253)	(1,627,748)
-	-	-	-	-	-	-	-	-	26,253	26,253
-	-	-	-	-	768,589	-	-	-	-	1,132,646
-	-	-	-	-	768,589	-	-	-	26,253	1,158,899
-	-	-	-	-	(468,421)	-	-	-	-	(468,849)
1,560,116	87,162	50,194	80,416	931,111	468,662	-	-	-	-	5,108,946
<u>\$1,560,116</u>	<u>\$ 87,162</u>	<u>\$ 50,194</u>	<u>\$ 80,416</u>	<u>\$931,111</u>	<u>\$ 241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,640,097</u>

CITY OF YPSILANTI, MICHIGAN
Statement of Net Assets
Internal Service Funds
June 30, 2011

	<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	\$ 2,951,934	\$ 294,180	\$ 407,582	\$ 3,653,696
Investments	836,543	962,018	-	1,798,561
Accounts receivable	2,376	-	25,523	27,899
Inventory	28,202	-	-	28,202
Prepaid items	-	-	40,362	40,362
	<u>3,819,055</u>	<u>1,256,198</u>	<u>473,467</u>	<u>5,548,720</u>
Total current assets				
Noncurrent assets - capital assets, net	<u>2,014,592</u>	<u>-</u>	<u>-</u>	<u>2,014,592</u>
Total assets	<u>5,833,647</u>	<u>1,256,198</u>	<u>473,467</u>	<u>7,563,312</u>
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	28,955	16,044	22,468	67,467
Current portion of claims payable	-	128,000	-	128,000
	<u>28,955</u>	<u>144,044</u>	<u>22,468</u>	<u>195,467</u>
Total current liabilities				
Noncurrent liabilities - claims payable, net	<u>-</u>	<u>191,632</u>	<u>-</u>	<u>191,632</u>
Total liabilities	<u>28,955</u>	<u>335,676</u>	<u>22,468</u>	<u>387,099</u>
Net Assets				
Invested in capital assets	2,014,592	-	-	2,014,592
Unrestricted	<u>3,790,100</u>	<u>920,522</u>	<u>450,999</u>	<u>5,161,621</u>
Total net assets	<u>\$ 5,804,692</u>	<u>\$ 920,522</u>	<u>\$ 450,999</u>	<u>\$ 7,176,213</u>

CITY OF YPSILANTI, MICHIGAN
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2011

	<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	\$ 978,417	\$ 120,458	\$ 992,745	\$ 2,091,620
Operating expenses				
Salaries, taxes and benefits	185,874	21,787	-	207,661
Gas, oil and fuel	119,641	-	-	119,641
Depreciation	375,875	-	-	375,875
Operation and maintenance	138,167	2,003	-	140,170
Contractual services and fees	143,448	78,669	-	222,117
Insurance and other	53,508	-	-	53,508
Benefits and claims	-	(233,087)	949,195	716,108
Total operating expenses	<u>1,016,513</u>	<u>(130,628)</u>	<u>949,195</u>	<u>1,835,080</u>
Operating income (loss)	<u>(38,096)</u>	<u>251,086</u>	<u>43,550</u>	<u>256,540</u>
Nonoperating revenues				
Investment income (loss)	52,187	(15,816)	2,362	38,733
Gain on sale of equipment	25,109	-	-	25,109
Total nonoperating revenues	<u>77,296</u>	<u>(15,816)</u>	<u>2,362</u>	<u>63,842</u>
Income before transfers and contributions	39,200	235,270	45,912	320,382
Transfers out	(207,180)	-	-	(207,180)
Capital contributions	<u>340,250</u>	<u>-</u>	<u>-</u>	<u>340,250</u>
Change in net assets	172,270	235,270	45,912	453,452
Net assets, beginning of year	<u>5,632,422</u>	<u>685,252</u>	<u>405,087</u>	<u>6,722,761</u>
Net assets, end of year	<u><u>\$ 5,804,692</u></u>	<u><u>\$ 920,522</u></u>	<u><u>\$ 450,999</u></u>	<u><u>\$ 7,176,213</u></u>

CITY OF YPSILANTI, MICHIGAN
Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2011

	<u>Motor Pool</u>	<u>Workers' Compensation</u>	<u>Retiree Health Care Benefits</u>	<u>Total</u>
Cash flows from operating activities				
Cash received from interfund services	\$ 981,595	\$ 120,458	\$ 970,688	\$ 2,072,741
Cash payments to employees	(185,874)	(21,787)	-	(207,661)
Cash payments for claims	-	(86,281)	(1,313,943)	(1,400,224)
Cash payments to suppliers for goods and services	(448,024)	(64,441)	(1,035)	(513,500)
Net cash provided by (used in) operating activities	<u>347,697</u>	<u>(52,051)</u>	<u>(344,290)</u>	<u>(48,644)</u>
Cash flows from non-capital financing activities				
Transfer to other funds	<u>(207,180)</u>	-	-	<u>(207,180)</u>
Cash flows from capital and related financing activities				
Purchase of capital assets	(457,422)	-	-	(457,422)
Proceeds from sale of capital assets	<u>25,109</u>	-	-	<u>25,109</u>
Net cash used by capital and related financing activities	<u>(432,313)</u>	-	-	<u>(432,313)</u>
Cash flows from investing activities				
Redemption of investments	100,438	-	-	100,438
Purchase of investments	-	(238,228)	-	(238,228)
Investment income	<u>52,187</u>	<u>(15,816)</u>	<u>2,362</u>	<u>38,733</u>
Net cash provided by (used in) investing activities	<u>152,625</u>	<u>(254,044)</u>	<u>2,362</u>	<u>(99,057)</u>
Net change in cash and cash equivalents	(139,171)	(306,095)	(341,928)	(787,194)
Cash and cash equivalents, beginning of year	<u>3,091,105</u>	<u>600,275</u>	<u>749,510</u>	<u>4,440,890</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,951,934</u></u>	<u><u>\$ 294,180</u></u>	<u><u>\$ 407,582</u></u>	<u><u>\$ 3,653,696</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (38,096)	\$ 251,086	\$ 43,550	\$ 256,540
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	375,875	-	-	375,875
Changes in assets and liabilities:				
Accounts receivable	3,178	-	(22,057)	(18,879)
Inventory	(11,895)	-	-	(11,895)
Prepaid items	-	187	(1,035)	(848)
Accounts payable and accrued liabilities	18,635	16,044	(364,748)	(330,069)
Claims payable	-	(319,368)	-	(319,368)
Net cash provided by (used in) operating activities	<u><u>\$ 347,697</u></u>	<u><u>\$ (52,051)</u></u>	<u><u>\$ (344,290)</u></u>	<u><u>\$ (48,644)</u></u>
Noncash				
Capital contributions	<u><u>\$ 340,250</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 340,250</u></u>

CITY OF YPSILANTI, MICHIGAN
Statement of Changes in Assets and Liabilities
Current Tax Agency Fund
For the Year Ended June 30, 2011

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
Assets				
Cash and cash equivalents	<u>\$ 109,258</u>	<u>\$ 31,872,985</u>	<u>\$ 31,882,159</u>	<u>\$ 100,084</u>
Liabilities				
Undistributed receipts	<u>\$ 109,258</u>	<u>\$ 31,872,985</u>	<u>\$ 31,882,159</u>	<u>\$ 100,084</u>

CITY OF YPSILANTI, MICHIGAN
Statement of Net Assets and
Governmental Funds Balance Sheet
Downtown Development Authority Component Unit
June 30, 2011

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
Assets					
Cash and cash equivalents	\$ 340,872	\$ 16,497	\$ 357,369	\$ -	\$ 357,369
Accounts receivable	20,000	-	20,000	-	20,000
Capital assets being depreciated, net	-	-	-	2,105,042	2,105,042
Total assets	<u>\$ 360,872</u>	<u>\$ 16,497</u>	<u>\$ 377,369</u>	<u>2,105,042</u>	<u>2,482,411</u>
Liabilities					
Accounts payable / accrued liabilities	\$ 5,011	\$ -	\$ 5,011	-	5,011
Accrued liabilities	11,153	5,739	16,892	-	16,892
Due to other governments	365	-	365	-	365
Long-term liabilities:					
Due within one year	1,795	-	1,795	110,000	111,795
Due in more than one year	-	-	-	925,000	925,000
Total liabilities	<u>18,324</u>	<u>5,739</u>	<u>24,063</u>	<u>1,035,000</u>	<u>1,059,063</u>
Fund balances / net assets					
Committed for capital projects	-	10,758	10,758	(10,758)	-
Unassigned	342,548	-	342,548	(342,548)	-
Total fund balances	<u>342,548</u>	<u>10,758</u>	<u>353,306</u>	<u>(353,306)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 360,872</u>	<u>\$ 16,497</u>	<u>\$ 377,369</u>		
Net assets:					
Invested in capital assets, net of related debt				1,070,042	1,070,042
Restricted for capital projects				10,758	10,758
Unrestricted				342,548	342,548
Total net assets				<u>\$ 1,423,348</u>	<u>\$ 1,423,348</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, 2011

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenditures/expenses					
Community development	\$ 198,997	\$ -	\$ 198,997	\$ 61,950	\$ 260,947
Debt service:					
Principal	60,000	40,000	100,000	(100,000)	-
Interest and fiscal charges	17,564	35,909	53,473	-	53,473
	<u>276,561</u>	<u>75,909</u>	<u>352,470</u>	<u>(38,050)</u>	<u>314,420</u>
Total expenditures/expenses					
General revenues					
Property taxes	343,529	-	343,529	-	343,529
Other revenues	3,575	-	3,575	-	3,575
Investment earnings	1,428	32	1,460	-	1,460
	<u>348,532</u>	<u>32</u>	<u>348,564</u>	<u>-</u>	<u>348,564</u>
Total general revenues					
Excess of general revenues over (under) expenditures/expenses	<u>71,971</u>	<u>(75,877)</u>	<u>(3,906)</u>	<u>38,050</u>	<u>34,144</u>
Other financing sources (uses)					
Transfers in	-	76,140	76,140	(76,140)	-
Transfers out	(76,140)	-	(76,140)	76,140	-
	<u>(76,140)</u>	<u>76,140</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)					
Net changes in fund balances	(4,169)	263	(3,906)	3,906	-
Change in net assets	-	-	-	34,144	34,144
Fund balance/net assets, beginning of year	<u>346,717</u>	<u>10,495</u>	<u>357,212</u>	<u>1,031,992</u>	<u>1,389,204</u>
Fund balance/net assets, end of year	<u>\$ 342,548</u>	<u>\$ 10,758</u>	<u>\$ 353,306</u>	<u>\$ 1,070,042</u>	<u>\$ 1,423,348</u>

CITY OF YPSILANTI, MICHIGAN
Statement of Net Assets and
Governmental Funds Balance Sheet
Depot Town Downtown Development Authority Component Unit
June 30, 2011

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
Assets			
Cash and cash equivalents	\$ 431,554	\$ -	\$ 431,554
Capital assets being depreciated, net	-	104,301	104,301
Total assets	<u>\$ 431,554</u>	<u>104,301</u>	<u>535,855</u>
Liabilities			
Accounts payable / accrued liabilities	\$ 9,330	-	9,330
Accrued liabilities	26	-	26
Due to other governments	11,860	-	11,860
Unearned revenue	15,000	-	15,000
Long-term liabilities:			
Due within one year	214	16,128	16,342
Due in more than one year	766	62,143	62,909
Total liabilities	37,196	78,271	115,467
Fund balances / net assets			
Unassigned	<u>394,358</u>	<u>(394,358)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 431,554</u>		
Net assets:			
Invested in capital assets, net of related debt		26,030	26,030
Unrestricted		<u>394,358</u>	<u>394,358</u>
Total net assets		<u>\$ 420,388</u>	<u>\$ 420,388</u>

CITY OF YPSILANTI, MICHIGAN
Statement of Activities and
Governmental Fund Revenues, Expenditures
and Changes in Fund Balance
Depot Town Downtown Development Authority Component Unit
For the Year Ended June 30, 2011

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenditures/expenses			
Community development	\$ 93,016	\$ 349	\$ 93,365
Debt service:			
Principal	-	(15,171)	(15,171)
Total expenditures/expenses	<u>93,016</u>	<u>(14,822)</u>	<u>78,194</u>
General revenues			
Property taxes	120,960	-	120,960
Other revenue	15,000	-	15,000
Investment earnings	1,776	-	1,776
Total general revenues	<u>137,736</u>	<u>-</u>	<u>137,736</u>
Net changes in fund balances	44,720	(44,720)	-
Change in net assets	-	59,542	59,542
Fund balance/net assets, beginning of year	<u>349,638</u>	<u>11,208</u>	<u>360,846</u>
Fund balance/net assets, end of year	<u><u>\$ 394,358</u></u>	<u><u>\$ 26,030</u></u>	<u><u>\$ 420,388</u></u>

CITY OF YPSILANTI, MICHIGAN
Statement of Net Assets and
Governmental Funds Balance Sheet
Economic Development Corporation
June 30, 2011

	General Fund	Adjustments	Statement of Net Assets
Assets			
Cash and cash equivalents	\$ 209,950	\$ -	\$ 209,950
Capital assets not being depreciated	-	53,200	53,200
Total assets	\$ 209,950	53,200	263,150
 Liabilities			
Due to other governments	\$ 72,164	-	72,164
 Fund balances / net assets			
Unassigned	137,786	(137,786)	-
Total liabilities and fund balances	\$ 209,950		
 Net assets:			
Invested in capital assets		53,200	53,200
Unrestricted		137,786	137,786
Total net assets		\$ 190,986	\$ 190,986

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, 2011

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenditures/expenses			
Community development	\$ 2,028	\$ -	\$ 2,028
General revenues			
Investment earnings	<u>1,042</u>	<u>-</u>	<u>1,042</u>
Net changes in fund balances	(986)	986	-
Change in net assets	-	(986)	(986)
Fund balance/net assets, beginning of year	<u>138,772</u>	<u>53,200</u>	<u>191,972</u>
Fund balance/net assets, end of year	<u><u>\$ 137,786</u></u>	<u><u>\$ 53,200</u></u>	<u><u>\$ 190,986</u></u>

CITY OF YPSILANTI, MICHIGAN
Statement of Net Assets and
Governmental Funds Balance Sheet
Brownfield Redevelopment Authority Component Unit
June 30, 2011

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
Assets			
Cash and cash equivalents	\$ 30,185	\$ -	\$ 30,185
Liabilities			
Unearned revenue	\$ 15,300	-	15,300
Fund balances / net assets			
Unassigned	<u>14,885</u>	<u>(14,885)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 30,185</u>		
Unrestricted net assets			
Unrestricted		<u>\$ 14,885</u>	<u>\$ 14,885</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, 2011

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenditures/expenses			
Community development	\$ 71,354	\$ -	\$ 71,354
General revenues			
Property taxes	70,684	-	70,684
Investment earnings	190	-	190
Total general revenues	<u>70,874</u>	<u>-</u>	<u>70,874</u>
Net changes in fund balances	(480)	480	-
Change in net assets	-	(480)	(480)
Fund balance/net assets, beginning of year	<u>15,365</u>	<u>-</u>	<u>15,365</u>
Fund balance/net assets, end of year	<u><u>\$ 14,885</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 14,885</u></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)	84
<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)	92
<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)	96
<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)	102
<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)	104
<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 Nine Fiscal Years
(accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</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
Restricted	12,304,472	6,247,200	6,452,591	9,093,066	7,108,155
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>
 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>

(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

Schedule 1
Unaudited

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 15,179,422	\$ 15,117,105	\$ 14,987,983	\$ 16,952,331
10,909,451	10,406,691	10,975,911	11,357,896
<u>(9,406,528)</u>	<u>(6,404,471)</u>	<u>(6,202,344)</u>	<u>(6,850,753)</u>
<u>\$ 16,682,345</u>	<u>\$ 19,119,325</u>	<u>\$ 19,761,550</u>	<u>\$ 21,459,474</u>

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Expenses					
General government	\$ 1,581,277	\$ 1,419,098	\$ 1,532,445	\$ 1,679,364	\$ 2,021,481
Public safety	6,583,816	7,429,566	7,251,128	8,185,587	9,601,958
Public works	6,864,588	7,794,953	2,092,229	6,423,905	4,470,462
Highways, streets, and bridges	617,387	2,102,452	1,921,935	1,736,108	2,022,071
Culture and recreation	1,012,428	1,208,152	1,250,186	1,013,582	784,039
Community development	569,456	825,539	878,517	439,851	415,116
Interest on long-term debt	1,612,540	2,583,923	2,958,920	2,866,288	2,514,514
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>
Program revenues					
Charges for services:					
General government	354,671	472,612	450,699	462,082	544,717
Public safety	649,394	572,581	420,034	570,059	499,197
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	-	-	-	-	-
Operating grants and contributions	3,161,931	2,504,507	2,794,375	2,433,593	2,878,483
Capital grants and contributions	2,249,767	4,420,907	3,727,652	3,087,106	4,891,245
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>
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>
General revenues					
Property taxes	9,196,969	9,629,815	9,735,731	10,560,479	11,310,693
Unrestricted grants and contributions	3,841,320	3,489,839	3,375,034	3,338,792	3,276,430
Unrestricted investment earnings (loss)	456,872	161,630	1,121,441	(284,207)	1,118,294
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>
Special item					
Change in fair value of land held for resale	<u>-</u>	<u>(7,788,399)</u>	<u>-</u>	<u>-</u>	<u>-</u>
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>

(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

**Schedule 2
Unaudited**

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 2,212,245	\$ 2,788,130	\$ 3,075,617	\$ 3,326,238
9,618,481	8,563,993	8,638,877	8,257,558
2,084,186	1,935,048	2,031,833	1,980,913
2,562,769	3,165,639	3,612,341	1,192,916
570,113	465,538	435,711	69,221
340,815	330,041	229,274	189,050
2,834,154	2,710,134	2,748,116	2,481,838
<u>20,222,763</u>	<u>19,958,523</u>	<u>20,771,769</u>	<u>17,497,734</u>
1,097,252	1,445,822	1,153,950	1,121,010
720,555	947,998	959,591	1,098,886
-	-	-	-
-	-	-	-
1,250	1,200	1,200	1,200
3,504,349	3,734,396	4,930,921	3,585,313
672,269	94,250	110,078	609,256
<u>5,995,675</u>	<u>6,223,666</u>	<u>7,155,740</u>	<u>6,415,665</u>
<u>(14,227,088)</u>	<u>(13,734,857)</u>	<u>(13,616,029)</u>	<u>(11,082,069)</u>
11,503,422	12,098,938	11,417,456	9,907,455
3,070,879	3,000,840	2,671,507	2,670,643
1,223,621	817,091	169,291	201,895
-	-	-	-
<u>15,797,922</u>	<u>15,916,869</u>	<u>14,258,254</u>	<u>12,779,993</u>
-	-	-	-
<u>\$ 1,570,834</u>	<u>\$ 2,182,012</u>	<u>\$ 642,225</u>	<u>\$ 1,697,924</u>

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General fund				
Nonspendable				
Restricted				
Committed				
Assigned				
Unassigned				
Reserved	\$ 365,416	\$ 501,530	\$ 477,742	\$ 99,780
Unreserved, designated	2,387,259	1,844,976	1,318,413	1,990,157
Unreserved, undesignated	-	331,293	915,139	1,586,873
	<u>2,752,675</u>	<u>2,677,799</u>	<u>2,711,294</u>	<u>3,676,810</u>
Total general fund				
Other governmental funds				
Nonspendable				
Restricted				
Committed				
Reserved	1,476,645	23,126,978	14,949,777	10,111,447
Unreserved, designated	-	-	-	-
Unreserved, undesignated				
reported in:				
Special revenue funds	2,439,727	3,729,777	3,547,024	4,183,232
Debt service funds	905,503	608,079	2,203,846	1,856,755
Capital projects funds	11,838,241	766,971	(2,054,443)	(769,583)
	<u>16,660,116</u>	<u>28,231,805</u>	<u>18,646,204</u>	<u>15,381,851</u>
Total all other governmental funds				
Total governmental funds	<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>	<u>2011</u>
					\$ 269,199
					-
					5,579,241
					-
					3,545,913
\$ 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	-
<u>4,227,924</u>	<u>5,588,038</u>	<u>7,250,068</u>	<u>9,468,617</u>	<u>9,463,956</u>	<u>9,394,353</u>
					4,763,817
					5,671,778
					922,301
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	-
<u>15,352,209</u>	<u>12,982,915</u>	<u>12,081,475</u>	<u>11,568,079</u>	<u>11,926,127</u>	<u>11,357,896</u>
<u>\$ 19,580,133</u>	<u>\$ 18,570,953</u>	<u>\$ 19,331,543</u>	<u>\$ 21,036,696</u>	<u>\$ 21,390,083</u>	<u>\$ 20,752,249</u>

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

(modified accrual basis of accounting)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Revenues					
Taxes and special assessments	\$ 8,857,543	\$ 9,243,969	\$ 9,680,279	\$ 9,779,484	\$ 10,559,261
Licenses and permits	665,519	553,615	630,677	750,293	617,089
Intergovernmental	7,828,181	6,883,669	9,150,474	7,499,981	7,254,893
Charges for services	673,919	559,197	633,599	698,086	931,525
Fines and forfeits	151,455	216,850	153,178	225,384	362,432
Investment earnings	123,792	82,413	(45,083)	437,809	(297,092)
Other revenues	1,131,386	2,660,547	2,199,836	1,465,233	1,410,678
Total revenues	<u>19,431,795</u>	<u>20,200,260</u>	<u>22,402,960</u>	<u>20,856,270</u>	<u>20,838,786</u>
Expenditures					
General government	2,586,286	2,778,807	2,901,404	2,888,462	2,300,056
Public safety	7,360,420	7,330,976	7,398,919	7,121,191	8,114,602
Public works	9,235,084	6,165,266	9,352,172	6,969,115	2,659,544
Refuse collection	989,225	918,796	982,302	963,935	1,016,505
Highways, streets and bridges	1,039,049	2,357,975	1,211,559	1,232,042	1,180,647
Culture and recreation	996,835	1,042,526	834,871	302,147	206,698
Other expenditures	19,208	232,846	291,779	215,156	214,575
Public transit	-	-	-	-	-
Unallocated employee benefits	703,342	853,329	754,956	739,790	847,947
Capital outlay	621,877	19,536,533	8,656,714	6,660,712	2,375,227
Debt service:					
Principal	590,000	987,281	3,182,693	1,718,202	2,299,949
Interest and fiscal charges	407,469	776,324	2,041,157	4,468,430	3,145,864
Total expenditures	<u>24,548,795</u>	<u>42,980,659</u>	<u>37,608,526</u>	<u>33,279,182</u>	<u>24,361,614</u>
Revenues over (under) expenditures	<u>(5,117,000)</u>	<u>(22,780,399)</u>	<u>(15,205,566)</u>	<u>(12,422,912)</u>	<u>(3,522,828)</u>
Other financing sources (uses)					
Transfers in	1,271,181	2,606,504	2,973,600	2,355,341	1,924,858
Transfers out	(1,331,181)	(2,631,504)	(2,973,600)	(2,373,144)	(1,924,858)
Issuance of debt	10,224,680	33,788,904	13,441,864	14,262,866	16,827,648
Payment to refunding escrow agent	-	-	-	(4,120,988)	(12,783,348)
Total other financing sources (uses)	<u>10,164,680</u>	<u>33,763,904</u>	<u>13,441,864</u>	<u>10,124,075</u>	<u>4,044,300</u>
Extraordinary item - change in market value of land held for resale	-	-	(7,788,399)	-	-
Net changes in fund balances	<u>\$ 5,047,680</u>	<u>\$ 10,983,505</u>	<u>\$ (9,552,101)</u>	<u>\$ (2,298,837)</u>	<u>\$ 521,472</u>
Debt service as a percentage of noncapital expenditures	<u>4.2%</u>	<u>7.5%</u>	<u>18.0%</u>	<u>23.2%</u>	<u>24.8%</u>

Source: City of Ypsilanti Finance Department

Schedule 4
UNAUDITED

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 11,310,662	\$ 11,503,422	\$ 12,098,938	\$ 11,417,456	\$ 9,907,455
576,436	665,684	657,459	530,812	666,586
7,750,482	7,826,046	7,667,265	7,880,092	8,369,061
987,433	416,730	582,283	533,974	542,669
297,667	394,089	445,965	475,530	597,265
932,581	912,077	743,107	35,676	165,346
1,704,958	534,781	840,477	716,969	541,067
<u>23,560,219</u>	<u>22,252,829</u>	<u>23,035,494</u>	<u>21,590,509</u>	<u>20,789,449</u>
2,375,208	2,409,836	2,170,189	2,127,907	2,433,291
9,811,440	8,744,920	8,431,824	8,182,781	8,326,438
1,954,923	997,305	1,194,766	912,196	848,754
1,079,251	1,171,953	1,184,977	1,078,414	1,065,037
1,814,492	1,973,109	1,691,811	1,540,487	1,592,516
162,189	446,196	358,179	457,372	348,756
179,915	178,636	146,167	544,408	498,817
-	-	226,756	158,967	218,000
925,577	1,161,692	1,188,986	964,144	878,085
840,776	-	-	-	-
2,665,245	2,501,875	2,627,079	2,738,504	2,970,000
2,766,159	2,767,662	2,692,892	2,705,052	2,561,716
<u>24,575,175</u>	<u>22,353,184</u>	<u>21,913,626</u>	<u>21,410,232</u>	<u>21,741,410</u>
<u>(1,014,956)</u>	<u>(100,355)</u>	<u>1,121,868</u>	<u>180,277</u>	<u>(951,961)</u>
1,139,551	999,347	1,219,140	2,300,123	1,639,043
(1,189,551)	(899,683)	(1,187,059)	(2,214,414)	(1,431,863)
9,895,000	297,596	503,958	87,401	3,856,253
(9,839,224)	-	-	-	(3,749,306)
<u>5,776</u>	<u>397,260</u>	<u>536,039</u>	<u>173,110</u>	<u>314,127</u>
-	-	-	-	-
<u>\$ (1,009,180)</u>	<u>\$ 296,905</u>	<u>\$ 1,657,907</u>	<u>\$ 353,387</u>	<u>\$ (637,834)</u>
<u>22.6%</u>	<u>25.1%</u>	<u>25.2%</u>	<u>25.8%</u>	<u>29.9%</u>

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

Tax Year	Fiscal Year Ended FY	Real Property (1)		Personal Property (1)		Total		Total Direct Tax Rate
		Taxable Value	Assessed Value	Taxable Value	Assessed Value	Taxable Value	Assessed Value	
2010	2011	\$ 308,955,109	\$ 332,212,495	\$ 21,038,100	\$ 21,038,100	\$ 329,993,209	\$ 353,250,595	31.5314
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

(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,	City	Ypsilanti Public Schools	State Education Tax	Washtenaw Intermediate School District		Washtenaw Community College	Ypsilanti District Library	Totals	
				District	County			Homestead	Non- Homestead
2011	31.5314	25.0000	6.0000	3.9745	5.7448	3.6856	2.1574	60.0937	78.0937
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

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

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

Taxpayer	2011			2002		
	Taxable Valuation	Rank	% of Total City Taxable Value	Taxable Valuation	Rank	% of Total City Taxable Value
Peninsular Place	\$ 6,982,200	1	2.05%	\$ -		-
DTE (formerly Detroit Edison Utilities)	5,343,667	2	1.57%	4,447,191	3	1.51%
Angstrom Capital (Formerly Ford Plant)	5,119,500	3	1.51%	-		-
FHMC Real Estate (Formerly Forest Health)	4,313,200	4	1.27%	-		-
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%	-		-
Agree Limited Partnership	2,393,400	8	0.70%	-		-
Stewart Beal	1,953,680	9	0.57%	-		-
Asad Khailany	1,861,682	10	0.55%	-		-
Visteon	-		-	37,790,200	1	12.87%
Exemplar Manufacturing	-		-	5,404,300	2	1.84%
Mich-Con	-		-	2,612,500	5	0.89%
Comcast	-		-	2,608,800	6	0.89%
Crown Paper Company Manufacturing	-		-	2,436,316	7	0.83%
Walgreens	-		-	1,537,500	9	0.52%
Eastern Village Apartment	-		-	1,451,400	10	0.49%
	<u>\$ 37,825,898</u>		<u>11.13%</u>	<u>\$ 63,392,843</u>		<u>21.59%</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
2011	\$ 8,042,522	\$ 7,020,601	87.3%	\$ 899,747	\$ 7,920,348	98.5%
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%

(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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities					
General obligation bonds	\$ 7,875,000	\$ 22,100,000	\$ 25,810,000	\$ 27,715,000	\$ 29,525,000
Revenue bonds	10,193,066	25,379,320	32,524,115	38,825,827	38,003,306
Installment obligations	2,019,152	5,400,725	4,694,749	3,248,526	3,688,747
Amounts available in debt service funds	<u>(905,503)</u>	<u>(608,079)</u>	<u>(2,203,846)</u>	<u>(1,856,755)</u>	<u>(1,952,024)</u>
Total governmental activities	19,181,715	52,271,966	60,825,018	67,932,598	69,265,029
Business-type activities					
Revenue bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total outstanding debt	<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>
Total taxable value	\$ 309,888,045	\$ 327,613,159	\$ 338,308,459	\$ 346,038,615	\$ 359,195,156
Ratio of total debt to taxable value	6.19%	15.96%	17.98%	19.63%	19.28%
Total population	22,286	22,138	21,989	21,949	21,767
Total debt per capita	\$ 861	\$ 2,361	\$ 2,766	\$ 3,095	\$ 3,182
% of personal income	2.41%	6.45%	7.34%	8.10%	8.23%
Personal income	\$ 796,368	\$ 809,941	\$ 829,029	\$ 838,693	\$ 841,991

Source: City of Ypsilanti Finance Department

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

**Schedule 9
Unaudited**

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 28,660,000	\$ 27,750,000	\$ 26,800,000	\$ 25,805,000	\$ 24,560,000
36,945,000	35,797,596	34,776,554	33,277,955	31,616,984
3,546,808	3,399,933	3,247,854	3,090,350	3,090,350
(1,756,508)	(1,655,707)	(1,773,204)	(1,787,942)	(1,766,812)
67,395,300	65,291,822	63,051,204	60,385,363	57,500,522
-	-	-	-	-
\$ 67,395,300	\$ 65,291,822	\$ 63,051,204	\$ 60,385,363	\$ 57,500,522
\$ 396,065,501	\$ 413,729,543	\$ 402,643,702	\$ 370,475,911	\$ 329,993,209
17.02%	15.78%	15.66%	16.30%	17.42%
21,827	20,849	20,437	19,201	19,435
\$ 3,088	\$ 3,132	\$ 3,085	\$ 3,145	\$ 2,959
7.74%	7.66%	7.54%	7.69%	7.69%
\$ 870,723	\$ 852,828	\$ 835,975	\$ 785,417	\$ 735,790

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		
2011	\$ 24,560,000	\$ 1,766,812	\$ 22,793,188	6.91%	\$ 1,172.79
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

Source: City of Ypsilanti Finance Department

CITY OF YPSILANTI, MICHIGAN
Computation of Net Direct and Overlapping Debt
As of June 30, 2011

	Gross Amount Outstanding	Self-Supporting or Paid by Benefited Entity	Net Amount Outstanding
	<u> </u>	<u> </u>	<u> </u>
Direct debt			
General obligation bonds	\$ 24,560,000	\$ -	\$ 24,560,000
General obligation bonds - DDA	1,035,000	1,035,000	-
Revenue bonds	31,632,955	31,632,955	-
Revenue bonds - Depot Town DDA	78,271	78,271	-
Installment obligations	<u>3,090,350</u>	<u>-</u>	<u>3,090,350</u>
Net direct debt	<u><u>\$ 60,396,576</u></u>	<u><u>\$ 32,746,226</u></u>	<u>27,650,350</u>
Overlapping debt			
Ypsilanti School District			29,889,396
Washtenaw County			2,054,947
Washtenaw Community College			888,080
Ypsilanti District Library			<u>1,591,246</u>
Net overlapping debt			<u>34,423,669</u>
Net direct and overlapping debt			<u><u>\$ 62,074,019</u></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 2011

Assessed value	\$ 353,250,595
Debt limit (10% of assessed value)	\$ 35,325,060
Net debt subject to limitation:	
General obligation bonds	24,560,000
Less amounts available for repayment of general obligation bonds	(1,766,812)
	<u>22,793,188</u>
Legal debt margin	<u>\$ 12,531,872</u>

	<u>Debt Limit</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</u>
2011	\$ 35,325,060	\$ 22,793,188	\$ 12,531,872	64.52%
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%

Source: City of Ypsilanti Finance Department

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

<u>Fiscal Year Ended August 31,</u>	<u>(1) Gross Revenue</u>	<u>(2) Operating Expenses</u>	<u>Net Revenue Available for Debt Service</u>	<u>(3) Total Debt Service Requirement</u>	<u>Coverage</u>
2010	\$ 31,115,683	\$ 25,491,690	\$ 5,623,993	\$ 6,002,290	0.94
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

Source: Ypsilanti Community Utilities Authority comprehensive annual financial report.

(Note: YCUA is on a August 31 fiscal year end; as such, the 2011 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>
2011	19,435	\$ 735,790	\$ 37,859 (5)	3,175	9.6%
2010	19,201	726,931	37,859 (5)	3,896	9.9%
2009	20,437	773,724	37,859	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%

<u>Year</u>	<u>(1) Population</u>	<u>(1) Median Age</u>
2010	19,435	24.3
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) 2010 and 2011 data not yet available (used prior year data)

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

Employer	2011			2002		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Eastern Michigan University	1,950	1	17.01%	2,038	2	16.58%
Ypsilanti Public Schools	514	2	4.48%	695	3	5.65%
Washtenaw County	297	3	2.59%	260	5	2.12%
Bortz Health Care of Ypsilanti	160	4	1.40%	150	7	1.22%
City of Ypsilanti	91	5	0.79%	153	6	1.24%
Forest Health Services	77	6	0.67%	-	-	-
Marsh Plating & Finishing Services	50	7	0.44%	124	9	1.01%
Walgreens	31	8	0.27%	75	10	0.61%
Fischer Honda	23	9	0.20%	61	12	0.50%
Bird Brain	20	10	0.17%	-	-	-
Ford Motor Company	-	-	-	2,273	1	18.49%
Beyer Hospital	-	-	-	375	4	3.05%
Exemplar Manufacturing	-	-	-	147	8	1.20%
Gene Butman Ford	-	-	-	62	11	0.50%
	<u>3,213</u>		<u>28.03%</u>	<u>6,413</u>		<u>52.18%</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

Function/Program	Full-time Equivalent Employees as of June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	2.75	2.50	2.00	2.50	2.00	2.10	1.85	1.85	1.85
Human Resources (226)	2.00	2.00	2.00	2.00	2.00	1.80	1.90	1.55	1.55	1.55
Ordinance Enforcement (341)	1.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.50	0.50
Building Inspection (371)	4.00	6.00	5.00	5.00	5.00	5.00	5.00	5.25	3.75	3.58
Planning & Development (801)	5.00	5.00	5.00	5.00	4.50	3.50	3.40	1.65	1.65	1.65
Recreation (707)	4.50	4.75	1.75	1.00	-	-	-	-	-	-
	<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>	<u>9.13</u>
Citizen services										
Voters Registration, school and county election (191)	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>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>	<u>2.00</u>
Fire services										
Administration (337)	3.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00
Suppression (339)	21.00	21.00	21.00	21.00	21.00	21.00	23.00	21.00	21.00	19.00
	<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>	<u>20.00</u>
Fiscal services										
Finance - Accounting (201)	3.00	3.00	3.00	3.00	3.00	2.70	3.20	3.20	3.20	3.03
Finance - Assessor (209)	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00
Finance - Treasurer (253)	2.50	2.50	2.50	2.00	2.00	1.80	1.50	1.50	1.50	1.34
	<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>	<u>5.37</u>
Police services										
Administration (305)	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00
Field Services (307)	51.00	51.00	42.00	42.00	42.00	40.00	41.00	37.00	38.40	28.00
Parking Enforcement (311)	2.00	2.00	6.00	6.00	6.00	6.00	4.00	2.00	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>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>	<u>34.00</u>
Public services										
Parks, streets, building, parking lots, and garbage collection	21.00	22.00	22.00	22.00	23.00	22.00	21.75	19.00	17.00	17.00
Administration (441)	3.75	3.75	3.75	3.75	3.75	3.75	4.00	3.75	3.75	3.88
	<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>	<u>20.88</u>
Total full-time employees	<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>	<u>91.38</u>
Total council and full-time employees	<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>	<u>98.38</u>

Source: City of Ypsilanti Finance Department

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

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety										
Police services										
Number of uniform crime reporting	4,091	4,515	4,324	3,946	4,171	4,524	3,087	3,349	3,295	1,936
Number of traffic violations	2,977	3,345	2,550	3,492	3,275	3,269	3,538	7,502	8,458	3,253
Number of arrests	1,660	1,953	1,935	1,327	1,479	1,818	1,484	2,015	1,864	1,738
Number of parking violations	10,724	10,030	9,522	16,954	14,851	11,369	6,818	9,654	9,611	9,880
Fire services										
Number of calls answered	716	632	582	511	478	511	402	553	566	564
Number of inspections conducted	550	783	859	778	785	980	996	1,396	1,464	1,588
Public Services										
Miles of local streets maintained	20.56	20.56	20.56	20.56	20.56	21.22	21.22	21.22	21.22	21.22
Miles of major streets maintained	33.18	33.18	33.18	33.18	33.18	32.52	32.52	32.44	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

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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	13	13	12	12	10	10	10	10
Unmarked police vehicles	9	9	8	8	7	7	7	6	6	7
Parking enforcement	2	2	2	2	2	2	2	2	2	2
Mobile command vehicle	-	1	1	1	1	1	1	1	1	1
Volunteer service vehicle	-	-	-	-	1	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	2	2	2	2	2	2
Pumper ladder truck	2	2	2	2	1	1	1	1	1	1
Rescue truck	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	-	-	-	-
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	1	1	1
Impala	-	-	-	-	-	-	-	-	-	1
Taurus - CM	-	-	-	-	-	-	-	1	1	1
Building enforcement vehicles	4	4	4	4	4	4	4	2	2	3

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

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Services										
Passenger	2	2	2	2	2	2	2	3	4	3
Crown Victoria	-	-	-	-	-	-	-	-	-	1
Escape	2	2	2	2	2	2	2	1	1	1
Van	-	-	-	-	-	-	-	1	1	1
Van with Aerial Lift										
Trucks:										
Pick-up	9	9	9	9	9	9	9	8	9	8
with Aerial Lift	-	-	-	-	-	-	-	3	3	3
Dump	9	9	9	9	9	9	9	9	9	10
with Grapple	-	-	-	-	-	-	-	1	1	1
Stake	7	7	7	7	7	7	7	6	6	6
with Aerial Lift	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	4	4	4
Brush Chipper	2	2	2	2	2	2	2	3	3	1
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	-	-	-	-	-	-	-	1	1	1
Garden	9	9	9	9	9	9	9	9	9	9
Wide Area Mower	-	-	-	-	-	-	-	1	1	1
Loader with Bucket	2	2	2	2	2	2	2	3	3	3
Rear Loader	-	-	-	-	-	-	-	-	-	1
Equipment:										
Gas Tester	1	1	1	1	1	1	1	1	1	1
Arrowboard	2	2	2	2	2	2	2	2	2	2
Pump	-	-	-	-	-	-	-	-	-	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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	4	4	4
Sign Driver	-	-	-	-	-	-	-	-	-	1
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	1
Bituminous	1	1	1	1	1	1	1	1	1	1
Hyd. Sewer Cleaner	2	2	2	2	2	2	2	2	2	1
Compressor	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	11
Rotary Lawn Mower	1	1	1	1	1	1	1	2	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	2	2
Maint. Drawn Tractor 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	12
Power Pruner	3	3	3	3	3	3	3	4	4	3
Stump Cutter	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
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

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

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Parks & Recreation										
Parks:										
Active	8	8	8	8	8	8	8	8	8	8
Inactive	2	2	2	2	2	2	2	1	1	1
Tot Lots	2	2	2	2	2	2	2	3	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	2.0	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	9	1
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	-	-	1
Park and Play Area Acreage										
Candy Cane Park	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Carrie Mattingly Tot Lot	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Charles Street Tot Lot	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33
Edith Hefley Park	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Frog Island Park	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Gilbert Park	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-	-	-
Parkridge Park Community Center	8.13	8.13	8.13	8.13	8.13	8.13	8.13	8.13	8.13	8.13
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

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

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	2	2
Peninsular Park	1	1	1	1	1	1	1	1	1	1
City Attractions										
Eastern Michigan Campus	-	-	1	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	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	1
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, 2011

Type of Coverage	Name of Company	Policy Period	Premium	Description
	Michigan Municipal League Liability and Property Pool	08/01/10-08/01/11	\$ 338,684	Covers general liability, police professional liability and public officials errors & omissions. Limit of liability \$2,000,000.
	Michigan Municipal League Liability and Property Pool	08/01/10-08/01/11	48,610	Covers equipment and automobiles.
	Michigan Municipal League Liability and Property Pool	08/01/10-08/01/11	19,961	Covers buildings and attached property.
	Zurich North America	8/30/10-8/30/11	2,309	Covers commercial storage tank
	Blue Cross - Blue Shield, Assurant, EHIM, Fort Dearborn, MECA, UNUM	07/01/2010-06/30/2011	1,895,130	Employee and retiree benefits: health, dental, prescription, life, vision and long-term disability.
	Comp One Administrator and Accident Fund	07/01/2010-06/30/2011	119,774	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