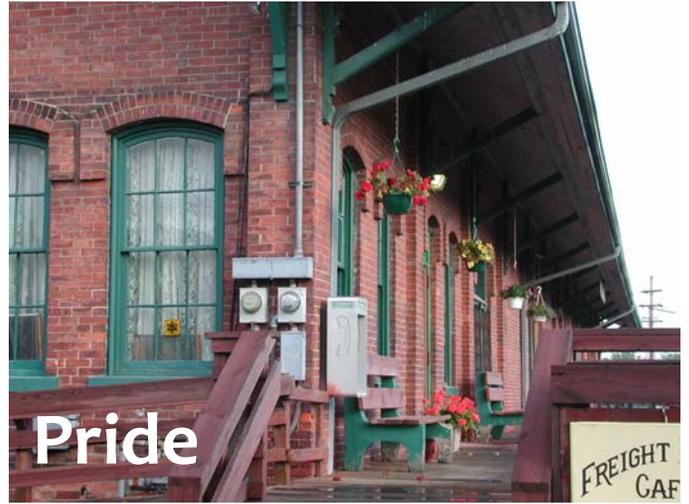


YPSILANTI

MICHIGAN



Community Impact Comprehensive Annual Financial Report

Year Ended June 30, 2012

City of Ypsilanti, Michigan

Comprehensive Annual Financial Report

For the Year Ended June 30, 2012

Prepared by:

Marilou Uy, Director of Fiscal Services

Sallea Tisch, Accounting Supervisor

CITY OF YPSILANTI, MICHIGAN

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INTRODUCTORY SECTION

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City of Ypsilanti

Office of the City Manager

December 17, 2012

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, 2012. 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 ensure the completeness and accuracy of the data representing the City's activities. The administration believes, and has made its best efforts to ensure, that the data, as presented, is accurate in all aspects and that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City. It was prepared by staff in the Finance Division with assistance from personnel in the Treasurer's Division, Public Services and other City departments.

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

Wherever possible, the City has made use of grants to help meet the needs of the community. Examples of such grants benefitting the City include road improvements, assistance with police officer wages and fringes (COPS, LAWNET and Inter-agency Cooperation Team Funding initiative), police equipment purchases from the Advance Criminal Detection through Twenty-First Century technology grant, In-Car Computer System from Bureau of Justice Assistance, Equipment for Firefighters, CDBG pass-through Washtenaw County for Senior Center Facility Improvements, Building Healthy Community, CDBG South of Michigan Avenue Community assessment, and Water Street Reforestation Initiative from US Department of Agriculture. The City has 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, 2012. 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, and the presence of Eastern Michigan University, all contribute to the City of Ypsilanti's "small town" sense of community.

The City has operated under the council-manager form of government since 1947. The City Council is comprised of the mayor and six members, who are elected by ward, on a staggered basis for four year terms. The Mayor is elected every four years. The City Manager and City Clerk are appointed by and serve at the pleasure of the council.

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

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

The City maintains 85 acres of parkland, including a park system running along the Huron River, and parks and tot lots throughout neighborhoods. While the City does not directly provide recreation programming, it has partnered with many dedicated community groups. These partnerships include Friends groups that fundraise for, and operate the pool, the Senior Center and Parkridge Community Center. 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 around 8% percent, and has been consistently at or below the state average (at October 2012 9.1 percent) and slightly above the national average of 7.9 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 39.5% compared to ten years ago. The City's total equalized value of taxable property for 2012 (to finance operations for fiscal 2013-14) is approximately \$301 million, a decrease of about \$28 million, or roughly 8.4% 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). This number has now declined to 85.14 FTE's for fiscal year 2012.

The City's working relationship with our governmental neighbors and Eastern Michigan University, our largest employer continued in earnest. The Eastern Leaders Group has continued to meet and formulated new goals related to business development, improving building stock, encouraging Eastern faculty and staff to live in the City, and improving K-12 educational opportunities. Investment continues in the downtown with the renovation of second floor apartments and façades as well as the opening of several first floor retail businesses. However, the City's tax base is eroding as the aggregate taxable value of properties in the City and the State of Michigan decline. Automotive Component Holdings (ACH), formerly the City's largest taxpayer, ceased operation in December 2008 and, fortunately for the City, Angstrom USA, LLC has purchased the property and recently agreed to work with the City on adaptive reuse of its buildings.

Our 38-acre redevelopment project, Water Street, bounded by Michigan Avenue on the north and the Huron River on the south and west continues to face formidable challenges due to the economy. The City has successfully committed \$2.6 million in fund balance to pay for 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 committed fund balance. The unassigned general fund balance for fiscal year 2012 is \$3,936,006, which is 32.5% of fiscal year 2011-12 general fund amended expenditures.

In addition to the significant impact of declining taxable values on revenues, the City continues to face escalating financial challenges with increasing costs of employee benefits, particularly for medical and prescription drugs. The City also faces mounting pension and other post-employment benefits costs for current and retired employees. The revenue decline, coupled with the rising expenses, pose a significant threat to the City's fiscal structure and a long-term threat to the stability of the City's finances. Cost containment strategies and reductions have been employed to mitigate and reduce future stress on City finances. The City, under the leadership of the newly hired City Manager, is working to develop a turn-around plan that will allow the City to provide and maintain a reasonable level of core services for its citizens at a cost that can also be sustained.

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. However, the City Council has approved two letters of intent, one for 1.25 acres for a Family Dollar store, and another for up to eight acres for the development of the East Side Recreation Center. Staff will be working with the City's broker to continue to market the site to additional developers. Fortunately, sufficient funding has been committed in the fund balances to make annual bond indebtedness payments for the next five 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 one-acre sized area that still has metals contamination. The funding for the tree nursery included a tree-inventory which was completed in 2011. The nursery will be completed in spring of 2013.

Continuing with its focus on replacing aging infrastructure, the City rebuilt West Cross Street from approximately Washtenaw to Wallace Streets including the installation of new water, sewer and related leads as well as bump-outs, pedestrian crossing, and bike lanes in both directions to continue the City's efforts toward pedestrian-scale projects and "Complete Streets" implementation. In 2011, the City was awarded two grants from the Michigan Natural Resources Trust Fund for a pedestrian bridge crossing from Riverside Park to the Water Street Redevelopment area, as well as a grant to rebuild the Rutherford Pool thanks to leadership from the Friends of the Rutherford Pool. The City, DDA, and the Eastern Leaders Group have continued work on building and façade grants for all the DDA districts, and are expected to continue into 2013. The Eastern Leaders Group and EMU are also promoting the Live Ypsi program, nominated as one of AnnArbor.com's deals of the year this year. This program provides a \$7,500 forgivable loan to EMU faculty and staff to purchase homes in the City limits as primary residences. City staff hopes to work with EMU and the ELG on enhanced promotion of this excellent program during 2013.

Building on the recent installation of LED lights along West Cross, the City is working on retrofitting 34 existing mercury Vapor streetlights along Michigan Ave and S. Prospect to LED in the spring. These retrofits will help reduce overall streetlighting expenses, and are part of the broader effort to create a Streetlight Assessment District by spring 2013.

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 non-profits in cooperation with Chesapeake Community Advisors to redevelop the property into Hamilton Crossing. As of November 2012, both phases are near completion and are being occupied. Hamilton Crossing is expected to be fully occupied by early 2013.

Another positive change for the City will be the change in ownership of about 20 properties formerly owned by David Kircher to private ownership. The majority of the properties have sat vacant for a number of years, and were in poor condition prior to the vacancy. The sale of these properties, either through the bankruptcy trust or through County tax foreclosure, mark a turning point for these properties, many located near EMU and in Midtown, Riverside and Historic East side neighborhoods.

The City held its fourth 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, 21 houses were open on October 13, 2012. Additionally, the City continued a new partnership with the Washtenaw County Treasurer's office with a tax foreclosure open house which showed 10 out of 16 properties in this year's foreclosure auction. All of the properties sold at auction, several for more than the minimum bid, making this the second successful year in a row for this project. The City continues to respond to vacant and dangerous buildings through its implementation of an ordinance and had four demolished in 2012. The Fire Department continues to monitor properties and manage this effort, and more demolitions are expected in 2013.

Major Initiatives in the Future

In 2013, the City will continue energy-efficiency improvements in City buildings focusing on lighting as well as streetlight retrofits and development of the streetlight assessment district. The City will be undertaking a full master plan and zoning ordinance revision over the next two years with the hopes of engaging a broad range of citizens for long-range visioning for the City.

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 working on plans and bid documents to rebuild the pool this summer, after successful fundraising by the FORP, as well as a completed MOU. The City will be working with Washtenaw Community College on a MOU for activities at Parkridge Community Center. And it's expected that the Friends of the Freighthouse will be working on final building improvements in the spring of 2013 in order to reopen the building for public use. One of the City's highest priorities is to attract rail service (commuter Ann Arbor to Detroit and/or inter-city service Pontiac to Chicago) to the City of Ypsilanti. As part of this effort, the City will devote the necessary resources to build a platform that is required so that these services can stop in the City of Ypsilanti in its Depottown neighborhood.

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, Teresa Gillotti and Nan Schuette.

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}

Ralph A. Lange
City Manager

CITY OF YPSILANTI, MICHIGAN

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, 2011

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. Davison

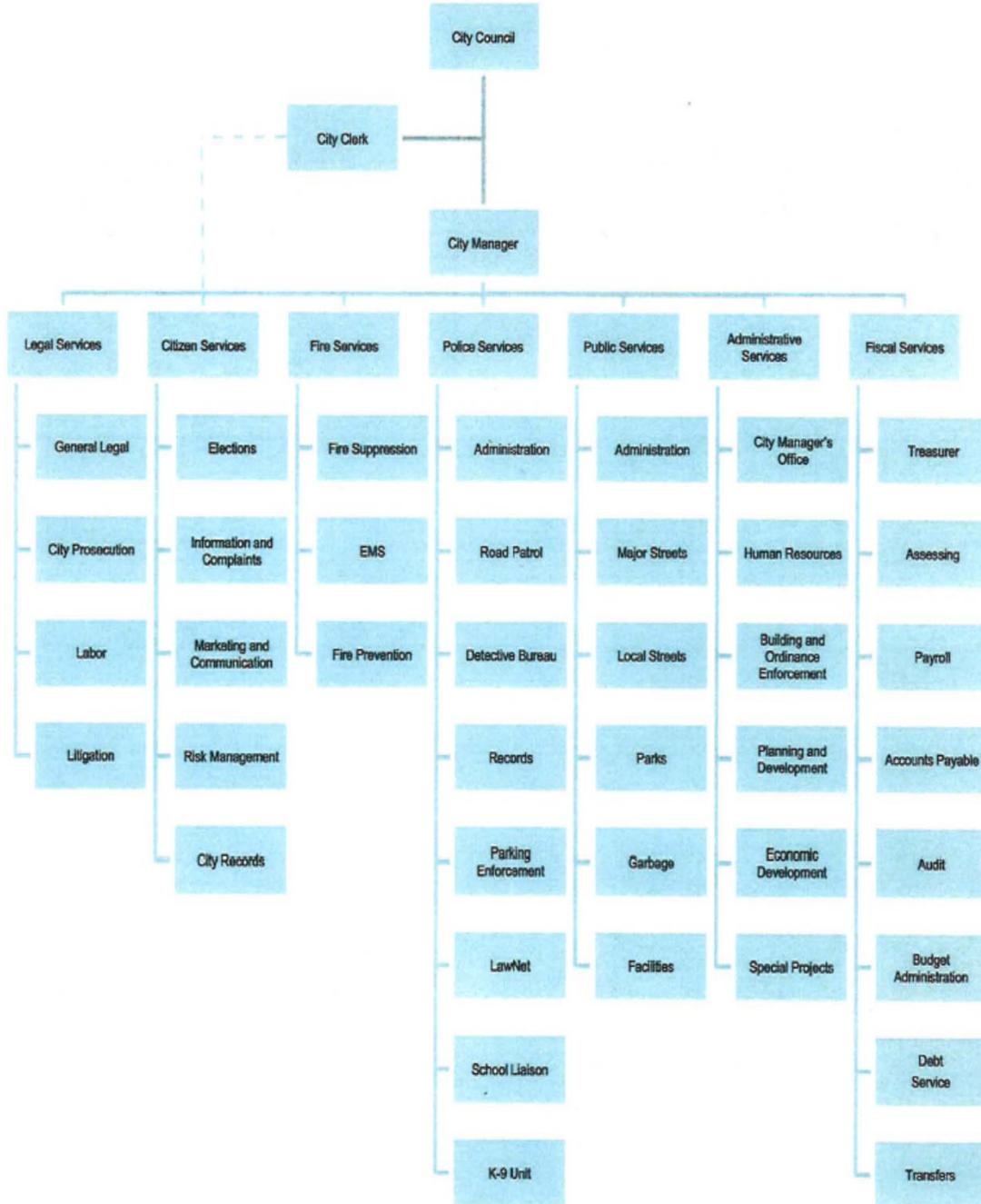
President

Jeffrey R. Emer

Executive Director

CITY OF YPSILANTI, MICHIGAN

Table of Organization



CITY OF YPSILANTI, MICHIGAN

ELECTED OFFICERS

CITY COUNCIL

Paul T. Schreiber
Mayor

Lois E. Richardson
Mayor Pro-Tem

Susan Moeller
Peter J. Murdock
Ricky Jefferson

Daniel Vogt
Brian Robb

Administration -- Appointed Officials and Senior Management

Ralph A. Lange
City Manager

Frances McMullan
City Clerk

Marilou T. Uy
Director of Fiscal Services

Jon Ichesco
Fire Chief

Stan Kirton
Director of Public Services

Amy Walker
Police Chief

Sallea Tisch
Accounting Supervisor

Courtney Dugger
City Assessor

Kimberly D. Teamer
City Treasurer

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

December 17, 2012

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, 2012, 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, 2012, 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 17, 2012 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and historical pension and other postemployment benefits information as noted in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in cursive script that reads "Lehmann Johnson". The signature is written in black ink and is positioned in the lower right quadrant of the page.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF YPSILANTI, MICHIGAN

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, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, as listed in the table of contents.

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, 2012.

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$20,902,732 (net assets). This amount is net of a deficit of \$7,091,726 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 decreased by \$556,742.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$19,679,633, a decrease of \$1,072,616 in comparison with the prior year. Approximately 20.0 percent of this total amount, or \$3,912,068 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 \$3,936,006 or 28.4% of total general fund expenditures and other financing uses.
- The City's total bonded debt decreased by \$3,175,000 during the current fiscal year. There were no new bonds 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.

CITY OF YPSILANTI, MICHIGAN

Management's Discussion and Analysis

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* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found as listed in the table of contents.

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, the land revolving capital projects fund, 2003 unlimited tax bonds debt service, and 2010 refunding bonds debt service, which are considered to be major funds. Data from the other 28 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found as listed in the table of contents.

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 as listed in the table of contents.

CITY OF YPSILANTI, MICHIGAN

Management's Discussion and Analysis

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 as listed in the table of contents.

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 as listed in the table of contents.

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 as listed in the table of contents.

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 as listed in the table of contents.

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 \$20,902,732 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 2012 and compared to the prior fiscal year):

	Net Assets	
	Governmental Activities	
	2012	2011
Assets		
Current and other assets	\$55,767,818	\$57,971,919
Capital assets	<u>25,211,390</u>	<u>26,397,331</u>
Total assets	<u>80,979,208</u>	<u>84,369,250</u>
Liabilities		
Long-term liabilities outstanding	57,130,244	60,288,966
Other liabilities	<u>2,946,232</u>	<u>2,620,810</u>
Total liabilities	<u>60,076,476</u>	<u>62,909,776</u>
Net assets		
Invested in capital assets, net of related debt	16,911,390	16,952,331
Restricted	11,083,068	11,357,896
Unrestricted (deficit)	<u>(7,091,726)</u>	<u>(6,850,753)</u>
Total net assets	<u>\$20,902,732</u>	<u>\$21,459,474</u>

CITY OF YPSILANTI, MICHIGAN

Management's Discussion and Analysis

By far the largest portion of the City's net assets (80.9% or \$16,911,390) 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 (52.8% or \$11,083,068) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (a deficit of \$7,091,726) represents the extent to which accrual basis non-capital liabilities exceed assets after taking into account restrictions.

	Changes in Net Assets	
	Governmental Activities	
	2012	2011
Revenue		
Program revenue:		
Charges for services	\$ 2,271,687	\$ 2,221,096
Operating grants and contributions	2,712,064	3,585,313
Capital grants and contributions	322,858	609,256
General revenue:		
Property taxes	10,555,401	9,907,455
Grants and contributions not restricted to specific programs	2,256,140	2,670,643
Other	775,375	201,895
Total revenue	18,893,525	19,195,658
Expenses		
General government	2,866,101	3,326,238
Public safety	8,601,201	8,257,558
Public works	2,015,694	1,980,913
Highways, streets and bridges	2,823,389	1,192,916
Culture and recreation	367,484	69,221
Community development	184,244	189,050
Public transportation	262,320	-
Interest on long-term debt	2,329,834	2,481,838
Total expenses	19,450,267	17,497,734
Change in net assets	(556,742)	1,697,924
Net assets - beginning of year	21,459,474	19,761,550
Net assets - end of year	\$20,902,732	\$21,459,474

CITY OF YPSILANTI, MICHIGAN

Management's Discussion and Analysis

The City's total net assets decreased approximately 2.6% from the prior year. This majority of this decrease was accounted for in the City's general fund. The planned reduction in fund balance in the general fund was \$1,228,238 primarily due to a transfer of \$1,271,960 from the general fund to make the debt payment on the Water Street bonds. The actual reduction in the general fund's fund balance was \$735,206. This combined with budget variances in expenditures in other funds resulted in a net reduction of governmental activities net assets of \$556,742 as noted earlier.

The decrease in operating grants is due to fewer grants received this year. Last year was the last phase of the Environmental Protection Agency's Brownfield assessment and cleanup grants. The firefighter grant was a one-time grant last year. This is the final year of the COPS grants and it was at a lesser amount.

The expense for highways, streets and bridges increased over the prior year as there were more capitalizable projects (i.e., construction) in 2011 whereas there were more maintenance-oriented projects in 2012.

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.

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 \$19,679,633, a decrease of \$1,072,616 in comparison with the prior year. Approximately 19.9% of this total amount (or \$3,912,068) constitutes unassigned fund balance, which is available for spending at the government's discretion. Of the remainder, \$5,108,524 represents nonspendable fund balance, \$4,869,060 is restricted and \$5,789,981 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 \$8,659,147. Of this amount \$344,707 represents inventory, prepaid items and land held for resale rendering it nonspendable, and \$4,378,434 is committed for vested employee benefits, Water Street bond payments, an energy efficiency project and other uses as seen in the notes to the financial statements. As a measure of the general fund's liquidity it may be useful to compare unassigned fund balance to the total general fund expenditures; \$3,936,006 of the general fund's fund balance is unassigned, which represents 28.4% of total general fund expenditures and other financing uses. Overall, the fund balance of the general fund decreased by \$735,206 for the year, which was \$493,032 less of a decrease than budgeted.

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

- Significant reductions in general fund expenditures compared to the budget included: the City Manager retired midway through the year and a decision was made to delay filling some vacant positions until a new City Manager could be hired. This resulted in lower expenditures for personnel related items of about \$352,901. Some general building improvements were delayed resulting in expenditures of \$118,274 less than the amended budget. Various less significant items accounted for the remainder of the change in government wide fund balance.

CITY OF YPSILANTI, MICHIGAN

Management's Discussion and Analysis

- Total general fund revenue was down about 3.2% (or \$438,942) compared to the prior fiscal year. Most of the City's operating revenue is provided by property taxes that were about 1.3% (or \$103,305) less than last fiscal year. The decline in taxable value was partially offset by the expiration of a Brownfield TIFA (tax incremental financing authority; incremental increases in taxes within the TIFA district go to finance a special project; these are taxes the City would normally collect, therefore, when the TIFA expires the incremental increase reverts to the City.) and tax tribunal adjustments affecting taxes for this period that were lower than the prior fiscal year. State shared revenue was down \$414,503 or about 15.5% less than the previous year. Investment earnings increased 185.2% due to an increase in market value of investments in bonds.
- The roof on the Signal Shop building, which is connected to the garage at DPS, collapsed during the year due to deferred maintenance. The resulting water damage required that portion of the building to be rebuilt. A new boiler was installed at City Hall, a new emergency generator had to be installed at the Fire Department and the bike pen at the Police Department was refurbished. The Police Department received a JAG grant which allowed them to install new in-car computers. The Fire Department was able to purchase a new thermal imaging camera that will aid them in finding victims and hot spots utilizing a FEMA grant.
- The City made a transfer of \$1,271,960 to the 2006 Water Street debt service fund leaving \$2,647,222 committed by City Council for future Water Street bond payments as indicated in Note 13.

The land revolving fund had an ending fund balance of \$2,116,717, of which \$2,055,128 is land held for resale (and therefore nonspendable) and \$61,589 is committed for capital projects.

General Fund Budgetary Highlights

The City amended the budget to take into account various events occurring during the year. Revenue was \$20,960 more than the amended budget. Revenue from grants, including the Fire Protection Public Act 289, were less than budgeted but largely offset by revenue from parking violations and building permits which were over budget. Nearly all departments spent less than budgeted, resulting in total operating expenditures of \$473,394 below the amended budget. As noted previously not filling vacant positions resulted in lower than budgeted expenditures for personnel related items of about \$352,901. Some of the budgeted building improvements were delayed resulting in expenditures less than budget of \$118,274. The amount the City recorded for new claims before the Michigan Tax Tribunal related to taxes collected for prior years along with settlements for prior tax years not previously recorded totaled \$129,678 more than the amended budget. Several other overages and shortages account for the remainder of the difference from budget.

CITY OF YPSILANTI, MICHIGAN

Management's Discussion and Analysis

Capital Assets and Debt Administration

Capital Assets. At the end of 2012, the City had \$25,211,390 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.

	Capital Assets (Net of depreciation)	
	Governmental Activities	
	2012	2011
Land	\$ 760,443	\$ 760,443
Infrastructure	17,774,132	18,743,990
Buildings and improvements	3,785,655	3,910,372
Vehicles and equipment	2,236,868	2,241,461
Construction in progress	654,292	741,065
Total	<u>\$25,211,390</u>	<u>\$26,397,331</u>

Major capital asset events during the current fiscal year included:

- Rebuilt DPS signal building (connected to garage) due to damage from collapsed roof.
- Replaced boiler at City Hall.
- Renovated the bike holding pen at the Police Department.
- Replaced the emergency generator at the Fire building.
- Installed new rooftop furnace at Parkridge Center.
- Installed new computers in police patrol cars.
- Purchased thermal imaging camera to help find victims in a fire emergency.
- Installed solar irrigation equipment to water trees in City's newly established nursery.
- Partnered with Washtenaw County to pay for hardware and software to create electronic images of contracts and other records kept in the City Clerk's office to make them available on-line. This project also included scanning accounts payable invoices, checks and related items, which will eventually reduce the cost to store records and has proven to make these records more quickly accessible.
- Sections of East and West Cross 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 is available.
- Streetscape additions and improvements were made as part of the East and West Cross paving project in partnership with the Downtown Development Authority.
- DPS purchased a new street sweeper with CMAQ funds.

CITY OF YPSILANTI, MICHIGAN

Management's Discussion and Analysis

- The City continued to do sidewalk improvements and install ADA sidewalk ramps using Metro Act funds (MDOT funding).
- DPS replaced one salt/dump truck out of motor pool funds.
- Police replaced and outfitted two vehicles from motor pool funds.

Additional information on the City's capital assets can be found in the notes.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$53,001,984. Of this amount, \$23,080,000 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.

	General Obligation and Revenue Bonds	
	Governmental activities	
	2012	2011
General obligation bonds	\$23,080,000	\$24,560,000
Revenue bonds	29,921,984	31,616,984
Total	\$53,001,984	\$56,176,984

The City's credit rating from Moody's for outstanding general obligation limited tax debt remains at A2, 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". Moody's credit rating for the City on revenue bonds outstanding remains A1.

Additional information on the City's long-term debt can be found in the notes.

Economic Factors and Next Year's Budgets and Rates

The City's spending budget for all funds for next fiscal year is \$1,103,201 less than the current year amended budget, which includes the use of \$1,308,618 of fund balance from the general fund for the Water Street bond payment, \$253,690 from the major streets fund to help finance the West Cross paving, and \$1,154,031 from the motor pool internal service fund that will be used to fund equipment purchases and operating expenses. Revenues for all funds are budgeted to be \$1,353,055 lower than the current fiscal year's amended budget. The City expects property taxes to decrease again due to continued decline in taxable value. The City is looking at many options to reduce costs or increase revenues. Some of the things being considered are stormwater fees, 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 will continue to implement 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 its statutory state revenue sharing. Effective July 1, 2013, the City will complete implementation of Public Act 52 (SB #7) limiting employer medical benefit cost when ASFCME employees begin paying 20% of their medical benefit costs. All other employees are currently paying 20% of these costs.

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.

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BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF YPSILANTI, MICHIGAN

Statement of Net Assets

June 30, 2012

	Primary Government	
	Governmental Activities	Component Units
Assets		
Cash and cash equivalents	\$ 17,599,731	\$ 865,688
Investments	3,556,427	-
Receivables	28,444,358	10,055
Prepaid items and other assets	5,840,841	-
Other noncurrent assets - other post-employment benefits asset	326,461	-
Capital assets not being depreciated	1,414,735	226,156
Capital assets being depreciated, net	23,796,655	2,093,656
Total assets	80,979,208	3,195,555
Liabilities		
Accounts payable and accrued expenses	2,750,441	23,680
Due to other governments	-	84,389
Unearned revenue	195,791	30,000
Long-term liabilities:		
Due within one year	4,192,109	143,502
Due in more than one year	52,938,135	846,889
Total liabilities	60,076,476	1,128,460
Net assets		
Invested in capital assets, net of related debt	16,911,390	1,332,957
Restricted for:		
Highways and streets	1,547,946	-
Drug law enforcement	448,491	-
Public transportation	38,859	-
Debt service	2,833,764	-
Capital projects	6,214,008	11,059
Unrestricted (deficit)	(7,091,726)	723,079
Total net assets	\$ 20,902,732	\$ 2,067,095

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

CITY OF YPSILANTI, MICHIGAN

Statement of Activities

For the Year Ended June 30, 2012

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
General government	\$ 2,866,101	\$ 1,241,641	\$ 75,379	\$ 82,149	\$ (1,466,932)
Public safety	8,601,201	935,124	386,749	25,800	(7,253,528)
Public works	2,015,694	-	-	214,909	(1,800,785)
Highways, streets and bridges	2,823,389	93,722	1,171,171	-	(1,558,496)
Culture and recreation	367,484	-	21,881	-	(345,603)
Community development	184,244	1,200	-	-	(183,044)
Public transportation	262,320	-	-	-	(262,320)
Interest on long-term debt	2,329,834	-	1,056,884	-	(1,272,950)
Total primary government	\$ 19,450,267	\$ 2,271,687	\$ 2,712,064	\$ 322,858	\$ (14,143,658)
Component units					
Community/economic development	\$ 443,323	\$ -	\$ -	\$ -	\$ (443,323)
Economic development	-	-	-	-	-
Total component units	\$ 443,323	\$ -	\$ -	\$ -	\$ (443,323)

continued...

CITY OF YPSILANTI, MICHIGAN

Statement of Activities

For the Year Ended June 30, 2012

	Primary Government	
	Governmental Activities	Component Units
Changes in net assets		
Net expense	\$ (14,143,658)	\$ (443,323)
General revenues:		
Property taxes	10,555,401	440,326
Grants and contributions not restricted to specific programs	2,256,140	16,815
Unrestricted investment earnings	775,375	3,670
Total general revenues	<u>13,586,916</u>	<u>460,811</u>
Change in net assets	(556,742)	17,488
Net assets, beginning of year	<u>21,459,474</u>	<u>2,049,607</u>
Net assets, end of year	<u>\$ 20,902,732</u>	<u>\$ 2,067,095</u>
		concluded

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

FUND FINANCIAL STATEMENTS

CITY OF YPSILANTI, MICHIGAN

Balance Sheet
 Governmental Funds
 June 30, 2012

	General	Land Revolving Capital Projects	2003 Unlimited Tax Bonds Debt Service	2010 Refunding Bonds Debt Service	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 6,334,283	\$ 226,246	\$ 560,904	\$ 633,575	\$ 6,266,457	\$ 14,021,465
Investments	1,420,092	-	-	-	2,385	1,422,477
Accounts receivable	293,358	-	41	39	75,521	368,959
Land held for resale	38,644	2,055,128	-	-	2,700,608	4,794,380
Special assessments receivable	55,312	-	-	-	-	55,312
Due from other funds	1,117,859	-	-	-	-	1,117,859
Due from other governments	506,455	3,751	-	-	184,359	694,565
Prepaid items	114,207	-	-	-	8,081	122,288
Inventory	191,856	-	-	-	-	191,856
Total assets	\$ 10,072,066	\$ 2,285,125	\$ 560,945	\$ 633,614	\$ 9,237,411	\$ 22,789,161
Liabilities						
Accounts payable	\$ 186,131	\$ -	\$ -	\$ -	\$ 222,998	\$ 409,129
Accrued liabilities	421,890	-	-	-	13,741	435,631
Due to other funds	-	-	543,453	574,406	-	1,117,859
Due to other governments	68,426	-	-	-	867	69,293
Tax refunds payable	524,538	-	41,430	40,476	56,415	662,859
Deferred revenue	211,934	168,408	-	-	34,415	414,757
Total liabilities	1,412,919	168,408	584,883	614,882	328,436	3,109,528
Fund balances						
Nonspendable:						
Prepaid items	114,207	-	-	-	8,081	122,288
Inventory	191,856	-	-	-	-	191,856
Land held for resale	38,644	2,055,128	-	-	2,700,608	4,794,380
Restricted for:						
Major and local streets	-	-	-	-	1,547,946	1,547,946
Drug law enforcement	-	-	-	-	448,491	448,491
Public transportation	-	-	-	-	38,859	38,859
Debt service	-	-	-	18,732	2,815,032	2,833,764
Committed for:						
Various purposes (Note 13)	4,378,434	-	-	-	-	4,378,434
Capital projects	-	61,589	-	-	1,349,958	1,411,547
Unassigned (deficit)	3,936,006	-	(23,938)	-	-	3,912,068
Total fund balances	8,659,147	2,116,717	(23,938)	18,732	8,908,975	19,679,633
Total liabilities and fund balances	\$ 10,072,066	\$ 2,285,125	\$ 560,945	\$ 633,614	\$ 9,237,411	\$ 22,789,161

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, 2012

	General	Land Revolving Capital Projects	2003 Unlimited Tax Bonds Debt Service	2010 Refunding Bonds Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes and special assessments	\$ 8,014,277	\$ -	\$ 718,241	\$ 686,886	\$ 1,135,997	\$ 10,555,401
Licenses and permits	674,728	-	-	-	59,522	734,250
Intergovernmental	2,659,705	58,563	-	-	3,960,308	6,678,576
Charges for services	448,341	-	-	-	-	448,341
Fines and forfeits	516,393	-	-	-	-	516,393
Investment earnings	387,303	817	1,332	2,275	21,477	413,204
Other revenues	416,526	-	-	-	264,126	680,652
Total revenues	13,117,273	59,380	719,573	689,161	5,441,430	20,026,817
Expenditures						
Current:						
General government	1,913,971	-	-	-	228,019	2,141,990
Public safety	7,852,432	-	-	-	240,769	8,093,201
Public works	746,088	-	-	-	42,122	788,210
Refuse collection	-	-	-	-	1,041,143	1,041,143
Highways, streets and bridges	-	-	-	-	1,740,226	1,740,226
Parks and recreation	300,134	-	-	-	-	300,134
Community development	8,756	66,277	-	-	-	75,033
Public transportation	-	-	-	-	262,183	262,183
Unallocated employee benefits	950,627	-	-	-	-	950,627
Tax tribunal refunds	332,424	-	19,041	18,539	27,349	397,353
Debt service:						
Principal	-	-	515,000	605,000	2,055,000	3,175,000
Interest and fiscal charges	-	-	199,919	78,925	2,047,598	2,326,442
Total expenditures	12,104,432	66,277	733,960	702,464	7,684,409	21,291,542
Revenues over (under) expenditures	1,012,841	(6,897)	(14,387)	(13,303)	(2,242,979)	(1,264,725)
Other financing sources (uses)						
Transfers in	8,756	6,898	-	-	2,107,312	2,122,966
Transfers out	(1,756,803)	-	-	-	(174,054)	(1,930,857)
Total other financing sources (uses)	(1,748,047)	6,898	-	-	1,933,258	192,109
Net changes in fund balances	(735,206)	1	(14,387)	(13,303)	(309,721)	(1,072,616)
Fund balances (deficit), beginning of year	9,394,353	2,116,716	(9,551)	32,035	9,218,696	20,752,249
Fund balances (deficit), end of year	\$ 8,659,147	\$ 2,116,717	\$ (23,938)	\$ 18,732	\$ 8,908,975	\$ 19,679,633

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

CITY OF YPSILANTI, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Assets of Governmental Activities
For the Year Ended June 30, 2012

Net change in fund balances - total governmental funds \$ (1,072,616)

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.

Capital outlay expenditures	1,404,154
Depreciation expense	(2,549,680)

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.

Principal payments on long-term liabilities	3,175,000
Change in leases receivable for debt-financed property	(1,732,254)

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.

Operating loss of government internal service funds	(260,854)
Investment income in government internal service funds	363,806
Gain on sale of capital assets in government internal service funds	58,810
Transfers out in governmental internal service funds	(192,109)
Intergovernmental revenue in government internal service funds	214,909

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.

Change in other noncurrent assets for other postemployment benefits assets	53,762
Change in accrued interest payable on bonds	(3,392)
Change in the accrual for compensated absences	(16,278)

Change in net assets of governmental activities \$ (556,742)

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

CITY OF YPSILANTI, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - General Fund
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Revenues				
Taxes and special assessments	\$ 7,545,223	\$ 8,018,310	\$ 8,014,277	\$ (4,033)
Licenses and permits	532,027	656,925	674,728	17,803
Intergovernmental	2,580,488	2,626,163	2,659,705	33,542
Charges for services	562,976	492,460	448,341	(44,119)
Fines and forfeits	611,325	458,945	516,393	57,448
Investment earnings	300,000	374,045	387,303	13,258
Other revenues	327,903	469,465	416,526	(52,939)
Total revenues	12,459,942	13,096,313	13,117,273	20,960
Expenditures				
General government:				
City council	99,370	96,920	86,258	(10,662)
City manager	200,641	210,634	188,860	(21,774)
Community services	761	906	651	(255)
Elections	61,384	65,742	61,461	(4,281)
Accounting	265,997	279,876	266,766	(13,110)
Assessing	81,191	87,530	86,201	(1,329)
General legal	52,140	52,140	52,140	-
Ordinance prosecution	105,000	105,000	105,000	-
Litigation and appeals	110,000	162,000	131,252	(30,748)
Personnel legal	25,000	40,000	45,540	5,540
City clerk	162,489	127,071	105,837	(21,234)
Human resources	136,437	174,889	154,375	(20,514)
Treasurer	146,367	177,490	141,317	(36,173)
Public building maintenance	265,250	429,559	312,825	(116,734)
Planning and development	187,541	226,728	175,488	(51,240)
Tax tribunal refunds	30,000	202,746	332,424	129,678
Total general government	1,929,567	2,439,231	2,246,395	(192,836)
Public safety:				
Police	4,817,706	4,954,225	4,695,027	(259,198)
Fire	2,668,695	2,701,875	2,766,295	64,420
Ordinance enforcement	133,816	135,814	113,637	(22,177)
Building inspection	311,778	269,261	277,473	8,212
Total public safety	7,931,995	8,061,175	7,852,432	(208,743)

continued...

CITY OF YPSILANTI, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - General Fund
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Expenditures (Concluded)				
Public works:				
Public works department	\$ 183,798	\$ 211,170	\$ 187,346	\$ (23,824)
Street lighting	564,777	552,500	558,742	6,242
Total public works	748,575	763,670	746,088	(17,582)
Parks and recreation	338,678	326,763	300,134	(26,629)
Community development	60,000	11,245	8,756	(2,489)
Public transit	281,429	-	-	-
Unallocated employee benefits	921,421	975,742	950,627	(25,115)
Total expenditures	12,211,666	12,577,826	12,104,432	(473,394)
Revenues over expenditures	248,276	518,487	1,012,841	494,354
Other financing sources (uses)				
Transfers in	58,800	10,000	8,756	(1,244)
Transfers out	(1,575,844)	(1,756,725)	(1,756,803)	(78)
Total other financing uses	(1,517,044)	(1,746,725)	(1,748,047)	(1,322)
Net changes in fund balance	(1,268,768)	(1,228,238)	(735,206)	493,032
Fund balance, beginning of year	9,394,353	9,394,353	9,394,353	-
Fund balance, end of year	\$ 8,125,585	\$ 8,166,115	\$ 8,659,147	\$ 493,032

concluded

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, 2012

Assets

Current assets:

Cash and cash equivalents	\$ 3,578,266
Investments	2,133,950
Accounts receivable	3,519
Due from other government	214,909
Inventory	17,525
Prepaid items	52,061

Total current assets 6,000,230

Noncurrent assets - capital assets, net 1,974,177

Total assets 7,974,407

Liabilities

Current liabilities:

Accounts payable and accrued liabilities	235,019
Current portion of claims payable	151,200

Total current liabilities 386,219

Noncurrent liabilities - claims payable, net 227,413

Total liabilities 613,632

Net assets

Invested in capital assets	1,974,177
Unrestricted	5,386,598

Total net assets \$ 7,360,775

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, 2012

Operating revenues	
Charges for services	<u>\$ 2,195,453</u>
Operating expenses	
Salaries, taxes and benefits	223,780
Gas, oil and fuel	150,556
Depreciation	448,739
Operation and maintenance	126,579
Contractual services and fees	224,969
Insurance and other	58,296
Benefits and claims	<u>1,223,388</u>
Total operating expenses	<u>2,456,307</u>
Operating loss	<u>(260,854)</u>
Nonoperating revenues	
Intergovernmental grant	214,909
Investment income	363,806
Gain on sale of equipment	<u>58,810</u>
Total nonoperating revenues	<u>637,525</u>
Income before transfers	376,671
Transfers out	<u>(192,109)</u>
Change in net assets	184,562
Net assets, beginning of year	<u>7,176,213</u>
Net assets, end of year	<u><u>\$ 7,360,775</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, 2012

Cash flows from operating activities	
Cash received from interfund services	\$ 2,004,924
Cash payments to employees	(223,780)
Cash payments for claims	(1,186,720)
Cash payments to suppliers for goods and services	<u>(371,557)</u>
Net cash provided by operating activities	<u>222,867</u>
Cash flows from noncapital financing activities	
Transfer to other funds	<u>(192,109)</u>
Cash flows from capital and related financing activities	
Purchase of capital assets	(408,324)
Intergovernmental revenue	214,909
Proceeds from sale of capital assets	<u>58,810</u>
Net cash used by capital and related financing activities	<u>(134,605)</u>
Cash flows from investing activities	
Purchase of investments	(335,389)
Investment income	<u>363,806</u>
Net cash provided by investing activities	<u>28,417</u>
Change in cash and cash equivalents	(75,430)
Cash and cash equivalents, beginning of year	<u>3,653,696</u>
Cash and cash equivalents, end of year	<u>\$ 3,578,266</u>

continued...

CITY OF YPSILANTI, MICHIGAN

Statement of Cash Flows

Proprietary Funds - Internal Service Funds
For the Year Ended June 30, 2012

Reconciliation of operating loss to net
cash provided by operating activities

Operating loss	\$	(260,854)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation		448,739
Changes in:		
Accounts receivable		24,380
Due from other governments		(214,909)
Inventory		10,677
Prepaid items		(11,699)
Accounts payable and accrued liabilities		167,552
Claims payable		58,981
		<hr/>
Net cash provided by operating activities	\$	<u>222,867</u>

concluded

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

CITY OF YPSILANTI, MICHIGAN

Statement of Fiduciary Net Assets

Fiduciary Funds
June 30, 2012

	Police and Fire Retirement System Trust	Current Tax Agency Fund
Assets		
Cash and cash equivalents	\$ 1,382,576	\$ 79,989
Investments:		
U.S. agencies	2,627,535	-
Corporate bonds	4,543,264	-
Domestic equities	11,711,091	-
International equities	775,182	-
American depository receipts	44,275	
Mutual funds	5,542,060	
Real estate investment trusts	460,027	-
Money market accounts	781,689	-
Accrued interest receivable	-	11
Total assets	<u>27,867,699</u>	<u>\$ 80,000</u>
Liabilities		
Undistributed receipts	-	\$ 80,000
Accounts payable	916,019	-
Total liabilities	<u>916,019</u>	<u>\$ 80,000</u>
Net assets		
Held in trust for pension benefits	<u>\$ 26,951,680</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, 2012

Additions

Investment income:

Net depreciation in fair value of investments	\$ (1,331,612)
Interest and dividends	939,246
Less investment management fees	<u>(83,575)</u>

Total investment loss	<u>(475,941)</u>
-----------------------	------------------

Contributions:

City of Ypsilanti	1,120,305
Participants	<u>357,684</u>

Total contributions	<u>1,477,989</u>
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Total additions	<u>1,002,048</u>
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Deductions

Participant benefits	2,679,538
Participant refunds	2,051,656
Administrative expenses	<u>45,580</u>

Total deductions	<u>4,776,774</u>
------------------	------------------

Net change to net assets held in trust for benefits	(3,774,726)
-----------------------------------------------------	-------------

Net assets held in trust for pension benefits, beginning of year	<u>30,726,406</u>
------------------------------------------------------------------	-------------------

Net assets held in trust for pension benefits, end of year	<u><u>\$ 26,951,680</u></u>
------------------------------------------------------------	-----------------------------

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

COMPONENT UNIT FINANCIAL STATEMENTS

CITY OF YPSILANTI, MICHIGAN

Combining Statement of Net Assets

Component Units

June 30, 2012

	Downtown Development Authority	Depot Town Downtown Development Authority	Economic Development Corporation	Brownfield Redevelopment Authority	Totals
Assets					
Cash and cash equivalents	\$ 338,653	\$ 318,057	\$ 208,978	\$ -	\$ 865,688
Accounts receivable	10,023	32	-	-	10,055
Capital assets not being depreciated	172,956	-	53,200	-	226,156
Capital assets being depreciated, net	1,816,749	276,907	-	-	2,093,656
Total assets	2,338,381	594,996	262,178	-	3,195,555
Liabilities					
Accounts payable	5,651	2,129	-	-	7,780
Accrued liabilities	15,879	21	-	-	15,900
Due to other governments	365	11,860	72,164	-	84,389
Unearned revenues	30,000	-	-	-	30,000
Long-term liabilities:					
Due within one year	126,144	17,358	-	-	143,502
Due in more than one year	801,144	45,745	-	-	846,889
Total liabilities	979,183	77,113	72,164	-	1,128,460
Net assets					
Invested in capital assets, net of related debt	1,064,705	215,052	53,200	-	1,332,957
Restricted for capital projects	11,059	-	-	-	11,059
Unrestricted	283,434	302,831	136,814	-	723,079
Total net assets	\$ 1,359,198	\$ 517,883	\$ 190,014	\$ -	\$ 2,067,095

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, 2012

	Downtown Development Authority	Depot Town Downtown Development Authority	Economic Development Corporation	Brownfield Redevelopment Authority	Totals
Expenses					
Community / economic development	\$ 378,075	\$ 29,510	\$ 1,769	\$ 33,969	\$ 443,323
General revenues					
Property taxes	310,663	110,665	-	18,998	440,326
Other revenue	1,815	15,000	-	-	16,815
Unrestricted investment earnings	1,447	1,340	797	86	3,670
Total general revenues	313,925	127,005	797	19,084	460,811
Change in net assets	(64,150)	97,495	(972)	(14,885)	17,488
Net assets, beginning of year	1,423,348	420,388	190,986	14,885	2,049,607
Net assets, end of year	\$ 1,359,198	\$ 517,883	\$ 190,014	\$ -	\$ 2,067,095

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

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NOTES TO THE FINANCIAL STATEMENTS

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CITY OF YPSILANTI, MICHIGAN

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June 30, 2012

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CITY OF YPSILANTI, MICHIGAN

Notes to Financial Statements

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.

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:

Downtown Development Authority (DDA) - The DDA is responsible for correcting and preventing deterioration in the downtown district, encourages historical preservation and promotes economic growth within the district. The City Council appoints and may remove board members and approves the budget. Separate financials are not prepared.

Depot Town Downtown Development Authority (DDA) - The Depot Town DDA is responsible for promoting development and preservation of the Depot Town DDA district. The City Council appoints and may remove board members and approves the budget. Separate financials are not prepared.

Economic Development Corporation (EDC) - The EDC is responsible for providing means and methods to encourage and assist industrial and commercial development within the City. The City Council appoints and may remove board members and approves the budget. Separate financials are not prepared.

Brownfield Redevelopment Authority (BRA) - The BRA is responsible for administering brownfield redevelopment projects. The City Council appoints and may remove board members and approves the budget. Separate financials are not prepared.

CITY OF YPSILANTI, MICHIGAN

Notes to Financial Statements

Basis of Presentation

Government-wide and Fund Financial Statements

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.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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.

CITY OF YPSILANTI, MICHIGAN

Notes to Financial Statements

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.

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.

The City reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all the financial resources of the general government, except those accounted for and reported in another fund.

The *land revolving fund* is a capital projects fund that 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.

The *2003 unlimited tax bonds fund* is a debt service fund that is used to account for all financial resources restricted, committed or assigned to expenditure for principal and interest related to the 2003 general obligation bonds.

The *2010 refunding bonds fund* is a debt service fund that is used to account for all financial resources restricted, committed or assigned to expenditure for principal and interest related to the 2012 refunding bonds.

CITY OF YPSILANTI, MICHIGAN

Notes to Financial Statements

Additionally, the City reports the following fund types:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on long-term general obligation debt of governmental funds.

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets that are not being financed by proprietary funds.

Internal service funds are proprietary funds used to 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.

The *pension trust fund* is a fiduciary fund that 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 funds are custodial in nature and do not present results of operations or have a measurement focus. These funds are used to account for assets that the government holds for others in an agency capacity (such as taxes collected for other governments).

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.

CITY OF YPSILANTI, MICHIGAN

Notes to Financial Statements

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

Inventory in the general and internal service funds is valued at cost using the first-in/first-out method, which approximates market value. Inventory of governmental funds is recorded as an expenditure when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund 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:

Assets	Years
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.

CITY OF YPSILANTI, MICHIGAN

Notes to Financial Statements

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.

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.

CITY OF YPSILANTI, MICHIGAN

Notes to Financial Statements

2. 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.

3. 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, 2012, the City did not incur expenditures in excess of the amounts appropriated at the legal level of budgetary control.

4. CONSTRUCTION CODE FEES

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

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

Current year building permit revenue	\$ 245,684
Less related expenditures:	
Direct costs	296,006
Estimated indirect costs	<u>30,512</u>
Current year shortfall	(80,834)
Cumulative shortfall, beginning of year	<u>(714,945)</u>
Cumulative shortfall, end of year	<u><u>\$ (795,779)</u></u>

CITY OF YPSILANTI, MICHIGAN

Notes to Financial Statements

5. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of June 30, 2012:

	Primary Governments	Component Units	Total
Statement of net assets			
Cash and cash equivalents	\$ 17,599,731	\$ 865,688	\$ 18,465,419
Investments	3,556,427	-	3,556,427
Statement of fiduciary net assets			
Cash and cash equivalents:			
Pension trust fund	1,382,576	-	1,382,576
Agency fund	79,989	-	79,989
Investments - pension trust fund	26,485,123	-	26,485,123
	<u>\$ 49,103,846</u>	<u>\$ 865,688</u>	<u>\$ 49,969,534</u>
Deposits and investments:			
Bank deposits (checking, savings and certificates of deposit)			\$ 17,844,007
Investments in securities, mutual funds and similar vehicles:			
City investment pool			5,632,425
Pension trust fund			26,485,123
Cash on hand			<u>7,979</u>
Total			<u><u>\$ 49,969,534</u></u>

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, 2012, \$16,950,131 of the City's total bank balance of \$17,950,131 (total book balance was \$17,844,007) 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. The City's investments of \$5,632,425 as of June 30, 2012 consisted of amounts held in a Securities and Exchange Commission registered external local government investment pool (\$2,075,998) and amounts held in securities of U.S. agencies (\$3,556,427). 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, 2012, none of the City's investments were exposed to custodial credit risk as they were held in the City's name by the counterparty.

CITY OF YPSILANTI, MICHIGAN

Notes to Financial Statements

Credit Risk. As of June 30, 2012, all of the City’s investments in securities of U.S. agencies were rated Aaa by Moody’s. The City’s investment in the external local government investment pool was rated AAA/m by Standard & Poors (S&P). 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, 2012, the investment portfolio of the City was concentrated 63.1% in Federal National Mortgage Association. The City’s investment policy does not address concentration of credit risk.

Interest Rate Risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of investments. As of June 30, 2012, maturities of the City’s investments in the debt securities of U.S. agencies were more than ten years. The average maturity of the underlying investments in the external local government investment pool was less than 60 days. The City’s investment policy does not address interest rate risk.

6. INVESTMENTS - PENSION TRUST FUND

The investments of the Police and Fire Retirement System Trust Fund (the “System”) are separate from the City’s investments, and are subject to other 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.

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, 2012:

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

U.S agencies	\$ 2,627,535
Corporate bonds	4,543,264
Domestic equities	11,711,091
International equities	775,182
American depository receipts	44,275
Mutual funds	5,542,060
Domestic real estate investment trusts	460,027
Money market accounts	<u>781,689</u>
Total investments	<u>\$ 26,485,123</u>

CITY OF YPSILANTI, MICHIGAN

Notes to Financial Statements

Credit Risk. As of June 30, 2012, 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:

Rating	
Aa3	\$ 346,400
A1	503,900
A2	1,165,630
A3	689,990
Baa2	1,135,043
Baa3	430,278
Ba1	<u>272,023</u>
Totals	<u>\$ 4,543,264</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.

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, 2012, 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:

	% of portfolio
U.S. agencies	
Federal Home Loan Mortgage Corporation	5.2%

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.

CITY OF YPSILANTI, MICHIGAN

Notes to Financial Statements

Interest Rate Risk. As of June 30, 2012, maturities of the System's debt securities were as follows:

	Investment Maturities (fair value by years)				
	Fair Value	Less Than 1	1-5	6-10	More Than 10
U.S. agencies	\$ 2,627,535	\$ -	\$ -	\$ 43,466	\$ 2,584,069
Corporate bonds	4,543,264	613,150	1,558,785	882,139	1,489,190
	<u>\$ 7,170,799</u>	<u>\$ 613,150</u>	<u>\$ 1,558,785</u>	<u>\$ 925,605</u>	<u>\$ 4,073,259</u>

Of the above corporate bonds, \$209,658 of the total is callable.

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

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:

Investment/ Country	Currency	Fair value (U.S. dollars)
International equities		
Cayman Islands	Cayman Island dollar	\$ 51,677
France	European euro	69,381
Ireland	European euro	149,131
Netherlands	European euro	312,342
Puerto Rico	U.S. dollar	42,722
Switzerland	Swiss franc	48,050
Canada	Canadian dollar	60,339
Singapore	Singapore dollar	41,540
Total		<u>\$ 775,182</u>

In addition to the above, the System's holdings in mutual funds are primarily composed of underlying investments in international equities (approximately 67% of total mutual fund holdings of \$5,542,060), 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.

CITY OF YPSILANTI, MICHIGAN

Notes to Financial Statements

7. RECEIVABLES / DEFERRED REVENUE

Receivables in the governmental activities are 95.0% leases (6.1% of which will be collected in one year), 3.2% due from other governments and 1.8% 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:

	Unavailable	Unearned	Total
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	-	195,791	195,791
	<u>\$ 218,966</u>	<u>\$ 195,791</u>	<u>\$ 414,757</u>

8. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 760,443	\$ -	\$ -	\$ 760,443
Construction in progress	741,065	1,208,057	(1,294,830)	654,292
	<u>1,501,508</u>	<u>1,208,057</u>	<u>(1,294,830)</u>	<u>1,414,735</u>
Capital assets being depreciated:				
Infrastructure	37,147,061	1,294,830	(482,220)	37,959,671
Buildings and improvements	7,021,670	73,266	(487,693)	6,607,243
Vehicles and equipment	7,932,048	531,155	(639,381)	7,823,822
	<u>52,100,779</u>	<u>1,899,251</u>	<u>(1,609,294)</u>	<u>52,390,736</u>
Less accumulated depreciation for:				
Infrastructure	18,403,071	2,264,688	(482,220)	20,185,539
Buildings and improvements	3,111,298	197,983	(487,693)	2,821,588
Vehicles and equipment	5,690,587	535,748	(639,381)	5,586,954
	<u>27,204,956</u>	<u>2,998,419</u>	<u>(1,609,294)</u>	<u>28,594,081</u>
Total capital assets being depreciated, net	<u>24,895,823</u>	<u>(1,099,168)</u>	<u>-</u>	<u>23,796,655</u>
Governmental activities capital assets, net	<u>\$ 26,397,331</u>	<u>\$ 108,889</u>	<u>\$ (1,294,830)</u>	<u>\$ 25,211,390</u>

CITY OF YPSILANTI, MICHIGAN

Notes to Financial Statements

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

Governmental activities	
General government	\$ 52,039
Public safety	113,677
Public works	52,023
Highways, streets and bridges	2,232,088
Culture and recreation	99,853
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>448,739</u>
Total depreciation expense - governmental activities	<u><u>\$ 2,998,419</u></u>

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

	Beginning Balance	Increases	Decreases	Ending Balance
Component units				
Capital assets not being depreciated:				
Land	\$ 53,200	\$ -	\$ -	\$ 53,200
Construction in progress	-	172,956	-	172,956
	<u>53,200</u>	<u>172,956</u>	<u>-</u>	<u>226,156</u>
Capital assets being depreciated -				
Buildings and improvements	3,464,766	-	-	3,464,766
Less accumulated depreciation for -				
Buildings and improvements	1,255,423	115,687	-	1,371,110
Total capital assets being depreciated, net	<u>2,209,343</u>	<u>(115,687)</u>	<u>-</u>	<u>2,093,656</u>
Component units capital assets, net	<u><u>\$ 2,262,543</u></u>	<u><u>\$ (115,687)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,319,812</u></u>

9. PAYABLES

Payables in the governmental activities are 12.7% accrued liabilities, 15.3% property tax refunds, 15.9% interest, 10.7% claims, 38.7% vendors, and 6.7% due to other governments.

CITY OF YPSILANTI, MICHIGAN

Notes to Financial Statements

10. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

	Due from Other Funds	Due To Other Funds
General fund	\$ 1,117,859	\$ -
2003 unlimited tax bonds debt service fund	-	543,453
2010 refunding bonds debt service fund	-	574,406
	<u>\$ 1,117,859</u>	<u>\$ 1,117,859</u>

Generally, 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.

Most significant of the transfers below was \$1,271,960 transferred from the general fund to the 2006 refunding bond debt service fund (a nonmajor governmental fund) for principal and interest payments on that debt issue.

Transfers Out	Transfers In			Totals
	General Fund	Land Revolving Capital Projects Fund	Nonmajor Governmental Funds	
General fund	\$ -	-	\$ 1,756,803	\$ 1,756,803
Nonmajor governmental funds	8,756	6,898	158,400	174,054
Internal service funds	-	-	192,109	192,109
	<u>\$ 8,756</u>	<u>\$ 6,898</u>	<u>\$ 2,107,312</u>	<u>\$ 2,122,966</u>

11. 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 2012. 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 \$600,000 dollars. The City is vigorously defending all such litigation.

CITY OF YPSILANTI, MICHIGAN

Notes to Financial Statements

12. 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 \$26,435,000.

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
2010 refunding bonds	\$ 3,830,000	\$ -	\$ (605,000)	\$ 3,225,000	\$ 620,000
2002 capital improvements	220,000	-	(25,000)	195,000	30,000
2003 capital improvements	5,055,000	-	(515,000)	4,540,000	535,000
2006 property remediation	15,455,000	-	(335,000)	15,120,000	390,000
	<u>\$ 24,560,000</u>	<u>\$ -</u>	<u>\$ (1,480,000)</u>	<u>\$ 23,080,000</u>	<u>\$ 1,575,000</u>

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

	Principal	Interest
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	1,905,000	905,701
2018-2022	5,040,000	3,582,458
2023-2027	4,545,000	2,111,682
2028-2032	4,755,000	758,880
Grand Total	<u>\$ 23,080,000</u>	<u>\$ 11,673,384</u>

CITY OF YPSILANTI, MICHIGAN

Notes to Financial Statements

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2001 Water/Sewer	\$ 1,005,000	\$ -	\$ (65,000)	\$ 940,000	\$ 70,000
2002-A Water/Sewer	1,185,000	-	(85,000)	1,100,000	100,000
2002-B Water/Sewer (DWRf)	305,000	-	(25,000)	280,000	25,000
2002-C Water/Sewer	3,805,000	-	(270,000)	3,535,000	280,000
2003-A Water/Sewer	2,045,000	-	(510,000)	1,535,000	520,000
2003-B Water/Sewer	1,320,000	-	(40,000)	1,280,000	40,000
2003-C Water/Sewer (DWRf)	555,000	-	(35,000)	520,000	40,000
2003-D Water/Sewer (DWRf)	3,735,000	-	(245,000)	3,490,000	255,000
2004-A Water/Sewer	2,340,000	-	(70,000)	2,270,000	70,000
2004-B Water/Sewer (DWRf)	4,705,000	-	(290,000)	4,415,000	300,000
2006 Water/Sewer Refunding	9,820,000	-	(25,000)	9,795,000	25,000
2007 Water/Sewer (DWRf)	263,702	-	(10,000)	253,702	15,000
2008 Water/Sewer (DWRf)	399,253	-	(20,000)	379,253	20,000
2009 Water/Sewer (DWRf)	134,029	-	(5,000)	129,029	5,000
	<u>\$ 31,616,984</u>	<u>\$ -</u>	<u>\$ (1,695,000)</u>	<u>\$ 29,921,984</u>	<u>\$ 1,765,000</u>

DWRf = Drinking Water Revolving Fund (State of Michigan)

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

	Principal	Interest
2013	\$ 1,765,000	\$ 1,042,060
2014	1,820,000	981,718
2015	1,880,000	917,892
2016	1,765,000	853,984
2017	1,830,000	791,232
2018-2022	10,150,000	2,955,232
2023-2027	9,443,702	1,088,105
2028-2032	1,268,282	26,861
Grand Total	<u>\$ 29,921,984</u>	<u>\$ 8,657,084</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	-
	<u>\$ 3,090,350</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,090,350</u>	<u>\$ -</u>

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

	Principal	Interest
2013	\$ -	\$ -
2014	-	-
2015	-	-
2016	150,000	30,000
2017	125,000	54,000
2018-2022	720,000	189,800
2023-2027	1,755,350	41,000
	<u>2,750,350</u>	<u>314,800</u>
Biltmore agreement	340,000	-
	<u>\$ 3,090,350</u>	<u>\$ 314,800</u>

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.

CITY OF YPSILANTI, MICHIGAN

Notes to Financial Statements

Component Units

Component unit general obligation bonds outstanding at June 30, 2012 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
1994 Downtown Development Limited	\$ 220,000	\$ -	\$ (65,000)	\$ 155,000	\$ 75,000
2004-A Downtown Development Limited	815,000	-	(45,000)	770,000	50,000
	<u>\$ 1,035,000</u>	<u>\$ -</u>	<u>\$ (110,000)</u>	<u>\$ 925,000</u>	<u>\$ 125,000</u>

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

	Principal	Interest
2013	\$ 125,000	\$ 42,708
2014	130,000	35,968
2015	55,000	28,948
2016	55,000	26,858
2017	60,000	24,685
2018-2022	340,000	83,725
2023-2027	160,000	11,040
	<u>\$ 925,000</u>	<u>\$ 253,932</u>

Component unit revenue bonds outstanding at June 30, 2012 are as follows:

	Beginning Balance	Reductions	Ending Balance	Due Within One Year
2000 Depot Town Downtown Development	\$ 78,121	\$ (16,266)	\$ 61,855	\$ 17,091

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

	Principal	Interest
2013	\$ 17,091	\$ 3,410
2014	18,157	2,357
2015	19,275	1,237
2016	7,332	177
	<u>\$ 61,855</u>	<u>\$ 7,181</u>

CITY OF YPSILANTI, MICHIGAN

Notes to Financial Statements

Changes in Long-Term Debt. Long-term debt activity for the year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government					
General obligation bonds	\$ 24,560,000	\$ -	\$ (1,480,000)	\$ 23,080,000	\$ 1,575,000
Revenue bonds	31,616,984	-	(1,695,000)	29,921,984	1,765,000
Installment obligations	3,090,350	-	-	3,090,350	-
Compensated absences	1,021,632	868,387	(852,109)	1,037,910	852,109
	<u>\$ 60,288,966</u>	<u>\$ 868,387</u>	<u>\$ (4,027,109)</u>	<u>\$ 57,130,244</u>	<u>\$ 4,192,109</u>
Component Units					
General obligation bonds	\$ 1,035,000	\$ -	\$ (110,000)	\$ 925,000	\$ 125,000
Revenue bonds	78,121	-	(16,266)	61,855	17,091
Compensated absences	2,775	1,108	(347)	3,536	1,411
	<u>\$ 1,115,896</u>	<u>\$ 1,108</u>	<u>\$ (126,613)</u>	<u>\$ 990,391</u>	<u>\$ 143,502</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.

13. 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	\$ 1,037,910
Water Street project bond payments	2,647,222
COPS hiring recovery program	179,993
Water Street redevelopment professional fees	50,000
Energy efficiency and conservation project	239,309
Peninsular dam inspection study and repair	100,000
Grove Street additional cost (Res # 2012-131)	100,000
MDNR 2011 Recreation Passport Grant (Res # 2011-092)	10,000
Park capital improvements	14,000
	<u>14,000</u>
Total committed fund balance	<u>\$ 4,378,434</u>

CITY OF YPSILANTI, MICHIGAN

Notes to Financial Statements

14. INVESTED IN CAPITAL ASSETS NET OF RELATED DEBT

Net assets of the governmental activities were comprised of the following at June 30, 2012:

Capital assets not being depreciated	\$ 1,414,735
Capital assets being depreciated, net	23,796,655
General obligation bonds	(23,080,000)
Revenue bonds	(29,921,984)
Installment obligations	(3,090,350)
Add back debt that did not produce City capital assets:	
General obligation bonds	15,120,000
Revenue bonds	29,921,984
Installment obligations	<u>2,750,350</u>
 Total invested in capital assets, net of related debt	 <u><u>\$ 16,911,390</u></u>

15. 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):

	2012	2011
Estimated liability, beginning of year	\$ 319,632	\$ 639,000
Estimated claims incurred, including changes in estimates	404,298	(212,667)
Claim payments	<u>(345,317)</u>	<u>(106,701)</u>
 Estimated liability, end of year	 <u><u>\$ 378,613</u></u>	 <u><u>\$ 319,632</u></u>

CITY OF YPSILANTI, MICHIGAN

Notes to Financial Statements

16. 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 2011 levy was \$309,163,828. The government's general operating tax rate for fiscal 2011-12 was 19.0211 mills plus 2.7814 mills for sanitation, 4.5685 mills for streets, 0.9789 for public transit and 6.3232 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.

17. 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 27.91% of covered payroll.

The annual pension cost (APC) for the year ended June 30, 2012 is \$1,120,305. 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, 2011, using the entry age cost method.

CITY OF YPSILANTI, MICHIGAN

Notes to Financial Statements

Three-Year Trend Information

Years Ended June 30,	Annual Pension Cost (APC)	Percentage Contributed	Net Pension Obligation
2010	\$ 968,212	100%	\$ -
2011	1,018,284	100%	-
2012	1,120,305	100%	-

The funded status of the System as of June 30, 2011, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	\$ 42,667,144
Actuarial value of assets	31,577,876
Unfunded AAL (UAAL)	<u>\$ 11,089,268</u>
Funded ratio	<u>74.0%</u>
Covered payroll	<u>\$ 3,892,132</u>
UAAL as % of covered payroll	<u>284.9%</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 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.

CITY OF YPSILANTI, MICHIGAN

Notes to Financial Statements

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, 2011, 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: 7.5% investment rate of return; 4.0% projected salary increases including 5.0% inflation; 4.0% assumed rate of payroll growth; and no cost-of-living inflationary adjustments to benefits.

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 not required to make a minimal contribution to the plan for the year ended June 30, 2012. This was determined as part of an actuarial valuation at December 31, 2011, 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.

Actuarial accrued liability (AAL)	\$ 12,209,422
Actuarial value of assets	<u>(18,010,045)</u>
Overfunded AAL (OAAL)	<u>\$ (5,800,623)</u>
Funded ratio	<u>147.5%</u>
Covered payroll	<u>\$ 2,011,537</u>
OAAL as % of covered payroll	<u>-288.4%</u>

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

18. 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 127 retirees that were eligible and receiving benefits for the year ended June 30, 2012.

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, 2012, the City paid benefits and made contributions to advance-fund the plan totaling \$1,045,048.

Funding Progress. For the year ended June 30, 2012, 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 2012, 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 asset	(21,816)
Adjustment to annual required contribution	<u>23,328</u>
Annual OPEB cost	991,286
Contributions made	<u>(1,045,048)</u>
Increase in net OPEB asset	(53,762)
Net OPEB asset, beginning of year	<u>(272,699)</u>
Net OPEB asset, end of year	<u>\$ (326,461)</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:

Year Ended	Annual OPEB Cost	Actual Contribution	Percentage of OPEB Cost Contributed	Net OPEB Asset
6/30/2010	\$ 1,193,651	\$ 1,218,188	102.1%	\$ 315,024
6/30/2011	991,520	949,197	95.7%	272,699
6/30/2012	991,286	1,045,047	105.4%	326,461

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	3,019,998
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:

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%

CITY OF YPSILANTI, MICHIGAN

Notes to Financial Statements

19. 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.

20. 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, 2012, 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.

21. SUBSEQUENT EVENTS

On September 18, 2012 the City issued a water supply and sewage disposal system revenue bond of \$2,900,000 with an interest rate of 2.5%.

On November 28, 2012 the City refunded the outstanding balance of the 2003 general obligation unlimited tax bonds by issuing 2012 unlimited tax general obligation refunding bonds of \$4,140,000. The refunding decreased future debt service payments by \$315,704.



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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF YPSILANTI, MICHIGAN

Required Supplementary Information

Schedule of Funding Progress
Police and Fire Retirement System

Actuarial Valuation Date June 30,	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) - Entry Age (2)	Unfunded AAL (UAAL) (1-2)	Funded Ratio (1 / 2)	Covered Payroll (3)	UAAL as a Percentage of Covered Payroll ((1-2) / 3)
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%
2011	31,577,876	42,667,144	11,089,268	74.0%	3,892,132	284.9%

Schedule of Employer Contributions
Police and Fire Retirement System

Year Ended June 30,	Annual Required Contributions	Annual Actual Contribution	Percentage Contributed
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	1,018,284	1,018,284	100.00%
2012	1,120,305	1,120,305	100.00%

CITY OF YPSILANTI, MICHIGAN

Required Supplementary Information

Schedule of Funding Progress
Municipal Employees Retirement System of Michigan

Actuarial Valuation Date June 30,	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) - Entry Age (2)	Overfunded AAL (OAAL) (1-2)	Funded Ratio (1 / 2)	Covered Payroll (3)	OAAL as a Percentage of Covered Payroll ((1-2) / 3)
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%
2011	18,010,045	12,209,422	(5,800,623)	147.5%	2,011,537	-288.4%

Schedule of Employer Contributions
Municipal Employees Retirement System of Michigan

Year Ended June 30,	Annual Required Contributions	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%
2012	-	-	0.00%

CITY OF YPSILANTI, MICHIGAN

Required Supplementary Information

Schedule of Funding Progress
Other Postemployment Health Care Benefits

Actuarial Valuation Date June 30,	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) - Entry Age (2)	Unfunded AAL (UAAL) (1-2)	Funded Ratio (1 / 2)	Covered Payroll (3)	UAAL as a Percentage of Covered Payroll ((1-2) / 3)
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%
2011	3,019,998	12,121,822	9,101,824	24.9%	5,767,671	157.8%

Schedule of Employer Contributions
Other Postemployment Health Care Benefits

Year Ended June 30,	Annual Required Contributions	Annual Actual Contribution	Percentage Contributed
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%
2012	989,774	1,045,048	105.6%

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

CITY OF YPSILANTI, MICHIGAN

Combining Balance Sheet Nonmajor Governmental Funds June 30, 2012

	Special Revenue	Debt Service	Capital Projects	Totals
Assets				
Cash and cash equivalents	\$ 2,477,590	\$ 1,756,008	\$ 2,032,859	\$ 6,266,457
Investments	2,385	-	-	2,385
Accounts receivable	7,544	1,579	66,398	75,521
Land held for resale	-	-	2,700,608	2,700,608
Due from other governments	176,329	-	8,030	184,359
Prepaid items	-	-	8,081	8,081
Total assets	\$ 2,663,848	\$ 1,757,587	\$ 4,815,976	\$ 9,237,411
Liabilities				
Accounts payable	\$ 158,824	\$ 13,257	\$ 50,917	\$ 222,998
Accrued liabilities	13,741	-	-	13,741
Due to other governments	867	-	-	867
Tax refunds payable	56,415	-	-	56,415
Deferred revenue	-	-	34,415	34,415
Total liabilities	229,847	13,257	85,332	328,436
Fund balances				
Nonspendable:				
Prepays	-	-	8,081	8,081
Land held for resale	-	-	2,700,608	2,700,608
Restricted for:				
Major and local streets	1,547,946	-	-	1,547,946
Drug law enforcement	448,491	-	-	448,491
Public transportation	38,859	-	-	38,859
Debt service	-	1,744,330	1,070,702	2,815,032
Committed for capital projects	398,705	-	951,253	1,349,958
Total fund balances	2,434,001	1,744,330	4,730,644	8,908,975
Total liabilities and fund balances	\$ 2,663,848	\$ 1,757,587	\$ 4,815,976	\$ 9,237,411

CITY OF YPSILANTI, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Nonmajor Governmental Funds
For the Year Ended June 30, 2012

	Special Revenue	Debt Service	Capital Projects	Totals
Revenues				
Taxes and special assessments	\$ 1,135,997	\$ -	\$ -	\$ 1,135,997
Licenses and permits	8,190	-	51,332	59,522
Intergovernmental	1,171,171	1,294,512	1,494,625	3,960,308
Investment earnings (loss)	11,669	(513)	10,321	21,477
Other revenues	224,500	-	39,626	264,126
Total revenues	2,551,527	1,293,999	1,595,904	5,441,430
Expenditures				
General government	-	-	228,019	228,019
Public safety	205,051	-	35,718	240,769
Public works	-	-	42,122	42,122
Refuse collection	1,041,143	-	-	1,041,143
Highways, streets and bridges	1,740,226	-	-	1,740,226
Public transportation	262,183	-	-	262,183
Tax tribunal refunds	27,349	-	-	27,349
Debt service:				
Principal	-	980,000	1,075,000	2,055,000
Interest and fiscal charges	-	348,189	1,699,409	2,047,598
Total expenditures	3,275,952	1,328,189	3,080,268	7,684,409
Revenues under expenditures	(724,425)	(34,190)	(1,484,364)	(2,242,979)
Other financing sources (uses)				
Transfers in	498,209	34,192	1,574,911	2,107,312
Transfers out	(174,054)	-	-	(174,054)
Total other financing sources	324,155	34,192	1,574,911	1,933,258
Net changes in fund balances	(400,270)	2	90,547	(309,721)
Fund balances, beginning of year	2,834,271	1,744,328	4,640,097	9,218,696
Fund balances, end of year	\$ 2,434,001	\$ 1,744,330	\$ 4,730,644	\$ 8,908,975

CITY OF YPSILANTI, MICHIGAN

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2012

	Major Streets	Local Streets	Garbage and Rubbish Collection	Police	Public Transportation	Total
Assets						
Cash and cash equivalents	\$ 1,247,228	\$ 596,189	\$ 64,859	\$ 449,242	\$ 120,072	\$ 2,477,590
Investments	2,385	-	-	-	-	2,385
Accounts receivable	7,233	241	50	4	16	7,544
Due from other governments	132,242	44,087	-	-	-	176,329
Total assets	\$ 1,389,088	\$ 640,517	\$ 64,909	\$ 449,246	\$ 120,088	\$ 2,663,848
Liabilities						
Accounts payable	\$ 55,757	\$ 18,781	\$ 3,924	\$ -	\$ 80,362	\$ 158,824
Accrued liabilities	4,093	4,323	4,570	755	-	13,741
Due to other governments	-	-	-	-	867	867
Tax refunds payable	-	-	56,415	-	-	56,415
Total liabilities	59,850	23,104	64,909	755	81,229	229,847
Fund balances						
Restricted for:						
Major and local streets	930,533	617,413	-	-	-	1,547,946
Drug law enforcement	-	-	-	448,491	-	448,491
Public transportation	-	-	-	-	38,859	38,859
Committed for capital projects	398,705	-	-	-	-	398,705
Total fund balances	1,329,238	617,413	-	448,491	38,859	2,434,001
Total liabilities and fund balances	\$ 1,389,088	\$ 640,517	\$ 64,909	\$ 449,246	\$ 120,088	\$ 2,663,848

CITY OF YPSILANTI, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2012

	Major Streets	Local Streets	Garbage and Rubbish Collection	Police	Public Transportation	Total
Revenues						
Taxes and special assessments	\$ -	\$ -	\$ 835,650	\$ -	\$ 300,347	\$ 1,135,997
Licenses and permits	5,970	2,220	-	-	-	8,190
Intergovernmental	900,831	270,340	-	-	-	1,171,171
Investment earnings	5,793	1,821	587	2,636	832	11,669
Other revenues	93,722	64,969	40,009	25,800	-	224,500
Total revenues	1,006,316	339,350	876,246	28,436	301,179	2,551,527
Expenditures						
Public safety	-	-	-	205,051	-	205,051
Refuse collection	-	-	1,041,143	-	-	1,041,143
Highways, streets and bridges	1,220,473	519,753	-	-	-	1,740,226
Public transportation	-	-	-	-	262,183	262,183
Tax tribunal refunds	-	-	27,212	-	137	27,349
Total expenditures	1,220,473	519,753	1,068,355	205,051	262,320	3,275,952
Revenues over (under) expenditures	(214,157)	(180,403)	(192,109)	(176,615)	38,859	(724,425)
Other financing sources (uses)						
Transfers in	132,046	174,054	192,109	-	-	498,209
Transfers out	(174,054)	-	-	-	-	(174,054)
Total other financing sources (uses)	(42,008)	174,054	192,109	-	-	324,155
Net changes in fund balances	(256,165)	(6,349)	-	(176,615)	38,859	(400,270)
Fund balances, beginning of year	1,585,403	623,762	-	625,106	-	2,834,271
Fund balances, end of year	\$ 1,329,238	\$ 617,413	\$ -	\$ 448,491	\$ 38,859	\$ 2,434,001

CITY OF YPSILANTI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Major Streets Fund

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Revenues				
Licenses and permits	\$ 6,000	\$ 7,000	\$ 5,970	\$ (1,030)
Intergovernmental - state	909,822	992,674	900,831	(91,843)
Investment earnings	6,000	5,466	5,793	327
Other revenues	-	93,722	93,722	-
Total revenues	921,822	1,098,862	1,006,316	(92,546)
Expenditures				
Public works:				
Street construction	304,000	680,625	614,886	(65,739)
Routine maintenance	374,717	387,524	344,091	(43,433)
Routine maintenance - bridges	7,000	7,800	7,200	(600)
Traffic services	90,519	128,570	115,260	(13,310)
Winter maintenance	156,159	70,870	50,768	(20,102)
Administration	46,158	43,847	47,358	3,511
Trunkline maintenance	121,376	75,333	40,910	(34,423)
Total expenditures	1,099,929	1,394,569	1,220,473	(174,096)
Revenues over (under) expenditures	(178,107)	(295,707)	(214,157)	81,550
Other financing sources (uses)				
Transfers in	-	132,046	132,046	-
Transfers out	(161,464)	(174,054)	(174,054)	-
Total other financing sources	(161,464)	(42,008)	(42,008)	-
Net changes in fund balance	(339,571)	(337,715)	(256,165)	81,550
Fund balance, beginning of year	1,585,403	1,585,403	1,585,403	-
Fund balance, end of year	\$ 1,245,832	\$ 1,247,688	\$ 1,329,238	\$ 81,550

CITY OF YPSILANTI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Local Streets Fund

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Revenues				
Licenses and permits	\$ 2,600	\$ 3,500	\$ 2,220	\$ (1,280)
Intergovernmental - state	246,067	263,962	270,340	6,378
Investment earnings	1,300	1,700	1,821	121
Other revenues	72,500	65,085	64,969	(116)
Total revenues	322,467	334,247	339,350	5,103
Expenditures				
Public works:				
Routine maintenance	310,471	386,164	371,425	(14,739)
Traffic services	38,184	32,112	21,390	(10,722)
Winter maintenance	120,528	112,485	108,595	(3,890)
Administration	24,922	27,458	18,343	(9,115)
Total expenditures	494,105	558,219	519,753	(38,466)
Revenues over (under) expenditures	(171,638)	(223,972)	(180,403)	43,569
Other financing sources				
Transfers in	161,464	174,054	174,054	-
Net changes in fund balance	(10,174)	(49,918)	(6,349)	43,569
Fund balance, beginning of year	623,762	623,762	623,762	-
Fund balance, end of year	\$ 613,588	\$ 573,844	\$ 617,413	\$ 43,569

CITY OF YPSILANTI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Garbage and Rubbish Collection Fund

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Revenues				
Taxes and special assessments	\$ 802,816	\$ 838,590	\$ 835,650	\$ (2,940)
Investment earnings	3,000	640	587	(53)
Other revenues	2,600	43,637	40,009	(3,628)
Total revenues	808,416	882,867	876,246	(6,621)
Expenditures				
Refuse collection	1,171,738	1,135,708	1,041,143	(94,565)
Tax tribunal refunds	3,000	19,341	27,212	7,871
Total expenditures	1,174,738	1,155,049	1,068,355	(86,694)
Revenues (under) expenditures	(366,322)	(272,182)	(192,109)	80,073
Other financing sources				
Transfers in	366,322	272,182	192,109	(80,073)
Net changes in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

CITY OF YPSILANTI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Police Fund

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 2,000	\$ 2,000	\$ -	\$ (2,000)
Investment earnings	12,096	2,200	2,636	436
Other revenues	31,500	24,600	25,800	1,200
Total revenues	45,596	28,800	28,436	(364)
Expenditures				
Public safety	278,825	213,249	205,051	(8,198)
Revenues (under) expenditures	(233,229)	(184,449)	(176,615)	7,834
Other financing sources				
Transfers out	(65,655)	(3,914)	-	3,914
Net changes in fund balance	(298,884)	(188,363)	(176,615)	11,748
Fund balance, beginning of year	625,106	625,106	625,106	-
Fund balance, end of year	\$ 326,222	\$ 436,743	\$ 448,491	\$ 11,748

CITY OF YPSILANTI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Public Transportation Fund

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Revenues				
Taxes and special assessments	\$ -	\$ 294,231	\$ 300,347	\$ 6,116
Investment earnings	-	800	832	32
Total revenues	-	295,031	301,179	6,148
Expenditures				
Public transportation	-	262,650	262,183	(467)
Tax tribunal refunds	-	167	137	(30)
Total expenditures	-	262,817	262,320	(497)
Net changes in fund balance	-	32,214	38,859	6,645
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ 32,214	\$ 38,859	\$ 6,645

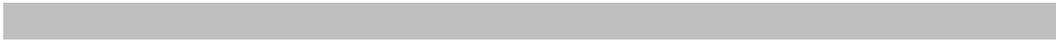
CITY OF YPSILANTI, MICHIGAN

Combining Balance Sheet

Nonmajor Debt Service Funds

June 30, 2012

	2001 Revenue Bonds	2002-A Revenue Bonds
Assets		
Cash and cash equivalents	\$ 383,601	\$ 437,484
Accounts receivable	413	413
Total assets	<u>\$ 384,014</u>	<u>\$ 437,897</u>
Liabilities		
Accounts payable	\$ 2,897	\$ 3,303
Fund balances		
Restricted for debt service	<u>381,117</u>	<u>434,594</u>
Total liabilities and fund balances	<u>\$ 384,014</u>	<u>\$ 437,897</u>



2002 General Obligation Bonds	2002-B Revenue Bonds	2002-C Revenue Bonds	Water Supply and Sewer Refunding	Total
\$ -	\$ 44,732	\$ 606,924	\$ 283,267	\$ 1,756,008
-	-	415	338	1,579
<u>\$ -</u>	<u>\$ 44,732</u>	<u>\$ 607,339</u>	<u>\$ 283,605</u>	<u>\$ 1,757,587</u>
\$ -	\$ 337	\$ 4,581	\$ 2,139	\$ 13,257
-	44,395	602,758	281,466	1,744,330
<u>\$ -</u>	<u>\$ 44,732</u>	<u>\$ 607,339</u>	<u>\$ 283,605</u>	<u>\$ 1,757,587</u>

CITY OF YPSILANTI, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Debt Service Funds

For the Year Ended June 30, 2012

	2001 Revenue Bonds	2002-A Revenue Bonds
Revenues		
Intergovernmental	\$ 111,328	\$ 139,622
Investment earnings (loss)	(138)	(138)
Total revenues	<u>111,190</u>	<u>139,484</u>
Expenditures		
Debt service:		
Principal	65,000	85,000
Interest and fiscal charges	46,189	54,484
Total expenditures	<u>111,189</u>	<u>139,484</u>
Revenues over (under) expenditures	1	-
Other financing sources (uses)		
Transfers in	-	-
Net changes in fund balances	1	-
Fund balances, beginning of year	<u>381,116</u>	<u>434,594</u>
Fund balances, end of year	<u><u>\$ 381,117</u></u>	<u><u>\$ 434,594</u></u>



2002 General Obligation Bonds	2002-B Revenue Bonds	2002-C Revenue Bonds	Water Supply and Sewer Refunding	Total
\$ - 1	\$ 32,312 -	\$ 430,866 (125)	\$ 580,384 (113)	\$ 1,294,512 (513)
<u>1</u>	<u>32,312</u>	<u>430,741</u>	<u>580,271</u>	<u>1,293,999</u>
25,000 9,193	25,000 7,313	270,000 160,740	510,000 70,270	980,000 348,189
<u>34,193</u>	<u>32,313</u>	<u>430,740</u>	<u>580,270</u>	<u>1,328,189</u>
(34,192)	(1)	1	1	(34,190)
<u>34,192</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,192</u>
-	(1)	1	1	2
<u>-</u>	<u>44,396</u>	<u>602,757</u>	<u>281,465</u>	<u>1,744,328</u>
<u>\$ -</u>	<u>\$ 44,395</u>	<u>\$ 602,758</u>	<u>\$ 281,466</u>	<u>\$ 1,744,330</u>

CITY OF YPSILANTI, MICHIGAN

Combining Balance Sheet
 Nonmajor Capital Projects Funds
 June 30, 2012

	Capital Improvement Reserve	Sidewalk Improvement	2002 General Obligation Capital Improvements	2003-D Water Supply and Sewer	2004-A Water
Assets					
Cash and cash equivalents	\$ 699,335	\$ 263,838	\$ -	\$ 338,926	\$ 162,245
Accounts receivable	24,772	32,475	-	2,576	1,574
Land held for resale	-	-	44,520	-	-
Due from other governments	8,030	-	-	-	-
Prepaid items	8,081	-	-	-	-
Total assets	\$ 740,218	\$ 296,313	\$ 44,520	\$ 341,502	\$ 163,819
Liabilities					
Accounts payable	\$ 9,252	\$ 33,530	\$ -	\$ 2,576	\$ 1,236
Deferred revenue	34,415	-	-	-	-
Total liabilities	43,667	33,530	-	2,576	1,236
Fund balances					
Nonexpendable:					
Prepays	8,081	-	-	-	-
Land held for resale	-	-	44,520	-	-
Restricted for debt service	-	-	-	338,926	162,583
Committed for capital projects	688,470	262,783	-	-	-
Total fund balances	696,551	262,783	44,520	338,926	162,583
Total liabilities and fund balances	\$ 740,218	\$ 296,313	\$ 44,520	\$ 341,502	\$ 163,819

continued...

2004-B Water and Sewer	2003 General Obligation Improvement	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
\$ 431,590	\$ -	\$ -	\$ 86,784	\$ 50,199	\$ -	\$ -	\$ 242
3,280	-	-	1,040	381	-	-	-
-	84,445	1,560,116	-	-	80,416	931,111	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 434,870</u>	<u>\$ 84,445</u>	<u>\$ 1,560,116</u>	<u>\$ 87,824</u>	<u>\$ 50,580</u>	<u>\$ 80,416</u>	<u>\$ 931,111</u>	<u>\$ 242</u>
\$ 3,280	\$ -	\$ -	\$ 662	\$ 381	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
<u>3,280</u>	<u>-</u>	<u>-</u>	<u>662</u>	<u>381</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	84,445	1,560,116	-	-	80,416	931,111	-
431,590	-	-	87,162	50,199	-	-	242
-	-	-	-	-	-	-	-
<u>431,590</u>	<u>84,445</u>	<u>1,560,116</u>	<u>87,162</u>	<u>50,199</u>	<u>80,416</u>	<u>931,111</u>	<u>242</u>
<u>\$ 434,870</u>	<u>\$ 84,445</u>	<u>\$ 1,560,116</u>	<u>\$ 87,824</u>	<u>\$ 50,580</u>	<u>\$ 80,416</u>	<u>\$ 931,111</u>	<u>\$ 242</u>

continued...

CITY OF YPSILANTI, MICHIGAN

Combining Balance Sheet

Nonmajor Capital Projects Funds
June 30, 2012

	2006 Water and Sewer Refunding	2007 Water and Sewer DWRf	2008 Water and Sewer DWRf	2009 Water and Sewer DWRf	Totals
Assets					
Cash and cash equivalents	\$ (300)	\$ -	\$ -	\$ -	\$ 2,032,859
Accounts receivable	300	-	-	-	66,398
Land held for resale	-	-	-	-	2,700,608
Due from other governments	-	-	-	-	8,030
Prepaid items	-	-	-	-	8,081
Total assets	\$ -	\$ -	\$ -	\$ -	\$ 4,815,976
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 50,917
Deferred revenue	-	-	-	-	34,415
Total liabilities	-	-	-	-	85,332
Fund balances					
Nonexpendable:					
Prepays	-	-	-	-	8,081
Land held for resale	-	-	-	-	2,700,608
Restricted for debt service	-	-	-	-	1,070,702
Committed for capital projects	-	-	-	-	951,253
Total fund balances	-	-	-	-	4,730,644
Total liabilities and fund balances	\$ -	\$ -	\$ -	\$ -	\$ 4,815,976

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CITY OF YPSILANTI, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 Nonmajor Capital Projects Funds
 For the Year Ended June 30, 2012

	Capital Improvement Reserve	Sidewalk Improvement	2002 General Obligation Capital Improvements	2003-D Water Supply and Sewer	2004-A Water
Revenues					
Licenses and permits	\$ -	\$ 51,332	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	335,313	165,768
Investment earnings (loss)	1,633	857	-	-	(112)
Other revenues	30,500	9,126	-	-	-
Total revenues	32,133	61,315	-	335,313	165,656
Expenditures					
General government	228,019	-	-	-	-
Public safety	35,718	-	-	-	-
Public works	-	42,122	-	-	-
Debt service:					
Principal	-	-	-	245,000	70,000
Interest and fiscal charges	-	-	-	90,313	95,655
Total expenditures	263,737	42,122	-	335,313	165,655
Revenues over (under) expenditures	(231,604)	19,193	-	-	1
Other financing sources					
Transfers in	302,951	-	-	-	-
Net changes in fund balances	71,347	19,193	-	-	1
Fund balances, beginning of year	625,204	243,590	44,520	338,926	162,582
Fund balances, end of year	\$ 696,551	\$ 262,783	\$ 44,520	\$ 338,926	\$ 162,583

continued...

2004-B Water and Sewer	2003 General Obligation Improvement	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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
386,900	-	-	91,015	48,438	-	-	-
-	-	-	(152)	5	-	-	1
-	-	-	-	-	-	-	-
386,900	-	-	90,863	48,443	-	-	1
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
290,000	-	-	40,000	35,000	-	-	335,000
96,900	-	-	50,863	13,438	-	-	936,960
386,900	-	-	90,863	48,438	-	-	1,271,960
-	-	-	-	5	-	-	(1,271,959)
-	-	-	-	-	-	-	1,271,960
-	-	-	-	5	-	-	1
431,590	84,445	1,560,116	87,162	50,194	80,416	931,111	241
\$ 431,590	\$ 84,445	\$ 1,560,116	\$ 87,162	\$ 50,199	\$ 80,416	\$ 931,111	\$ 242

continued...

CITY OF YPSILANTI, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 Nonmajor Capital Projects Funds
 For the Year Ended June 30, 2012

	2006 Water and Sewer Refunding	2007 Water and Sewer DWRf	2008 Water and Sewer DWRf	2009 Water and Sewer DWRf	Totals
Revenues					
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ 51,332
Intergovernmental	421,963	15,497	29,731	-	1,494,625
Investment earnings	-	-	-	8,089	10,321
Other revenues	-	-	-	-	39,626
Total revenues	421,963	15,497	29,731	8,089	1,595,904
Expenditures					
General government	-	-	-	-	228,019
Public safety	-	-	-	-	35,718
Public works	-	-	-	-	42,122
Debt service:					
Principal	25,000	10,000	20,000	5,000	1,075,000
Interest and fiscal charges	396,963	5,497	9,731	3,089	1,699,409
Total expenditures	421,963	15,497	29,731	8,089	3,080,268
Revenues over (under) expenditures	-	-	-	-	(1,484,364)
Other financing sources					
Transfers in	-	-	-	-	1,574,911
Net changes in fund balances	-	-	-	-	90,547
Fund balances, beginning of year	-	-	-	-	4,640,097
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ 4,730,644

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CITY OF YPSILANTI, MICHIGAN

Statement of Net Assets

Internal Service Funds

June 30, 2012

	Motor Pool	Workers' Compensation	Retiree Health Care Benefits	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 2,883,914	\$ 212,997	\$ 481,355	\$ 3,578,266
Investments	1,042,630	1,091,320	-	2,133,950
Accounts receivable	834	-	2,685	3,519
Due from other government	214,909	-	-	214,909
Inventory	17,525	-	-	17,525
Prepaid items	-	5,000	47,061	52,061
Total current assets	4,159,812	1,309,317	531,101	6,000,230
Noncurrent assets - capital assets, net	1,974,177	-	-	1,974,177
Total assets	6,133,989	1,309,317	531,101	7,974,407
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	231,635	3,229	155	235,019
Current portion of claims payable	-	151,200	-	151,200
Total current liabilities	231,635	154,429	155	386,219
Noncurrent liabilities - claims payable, net	-	227,413	-	227,413
Total liabilities	231,635	381,842	155	613,632
Net assets				
Invested in capital assets	1,974,177	-	-	1,974,177
Unrestricted	3,928,177	927,475	530,946	5,386,598
Total net assets	\$ 5,902,354	\$ 927,475	\$ 530,946	\$ 7,360,775

CITY OF YPSILANTI, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Assets

Internal Service Funds

For the Year Ended June 30, 2012

	Motor Pool	Workers' Compensation	Retiree Health Care Benefits	Total
Operating revenues				
Charges for services	\$ 956,500	\$ 115,545	\$ 1,123,408	\$ 2,195,453
Operating expenses				
Salaries, taxes and benefits	202,021	21,759	-	223,780
Gas, oil and fuel	150,556	-	-	150,556
Depreciation	448,739	-	-	448,739
Operation and maintenance	124,471	2,108	-	126,579
Contractual services and fees	150,276	74,693	-	224,969
Insurance and other	58,296	-	-	58,296
Benefits and claims	-	178,342	1,045,046	1,223,388
Total operating expenses	1,134,359	276,902	1,045,046	2,456,307
Operating income (loss)	(177,859)	(161,357)	78,362	(260,854)
Nonoperating revenues				
Intergovernmental grant	214,909	-	-	214,909
Investment income	193,911	168,310	1,585	363,806
Gain on sale of equipment	58,810	-	-	58,810
Total nonoperating revenues	467,630	168,310	1,585	637,525
Income before transfers	289,771	6,953	79,947	376,671
Transfers out	(192,109)	-	-	(192,109)
Change in net assets	97,662	6,953	79,947	184,562
Net assets, beginning of year	5,804,692	920,522	450,999	7,176,213
Net assets, end of year	\$ 5,902,354	\$ 927,475	\$ 530,946	\$ 7,360,775

CITY OF YPSILANTI, MICHIGAN

Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2012

	Motor Pool	Workers' Compensation	Retiree Health Care Benefits	Total
Cash flows from operating activities				
Cash received from interfund services	\$ 743,133	\$ 115,545	\$ 1,146,246	\$ 2,004,924
Cash payments to employees	(202,021)	(21,759)	-	(223,780)
Cash payments for claims	-	(119,361)	(1,067,359)	(1,186,720)
Cash payments to suppliers for goods and services	(270,242)	(94,616)	(6,699)	(371,557)
Net cash provided by (used in) operating activities	270,870	(120,191)	72,188	222,867
Cash flows from non-capital financing activities				
Transfer to other funds	(192,109)	-	-	(192,109)
Cash flows from capital and related financing activities				
Purchase of capital assets	(408,324)	-	-	(408,324)
Intergovernmental revenue	214,909	-	-	214,909
Proceeds from sale of capital assets	58,810	-	-	58,810
Net cash used by capital and related financing activities	(134,605)	-	-	(134,605)
Cash flows from investing activities				
Purchase of investments	(206,087)	(129,302)	-	(335,389)
Investment income	193,911	168,310	1,585	363,806
Net cash provided by (used in) investing activities	(12,176)	39,008	1,585	28,417
Net change in cash and cash equivalents	(68,020)	(81,183)	73,773	(75,430)
Cash and cash equivalents, beginning of year	2,951,934	294,180	407,582	3,653,696
Cash and cash equivalents, end of year	\$ 2,883,914	\$ 212,997	\$ 481,355	\$ 3,578,266
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (177,859)	\$ (161,357)	\$ 78,362	\$ (260,854)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	448,739	-	-	448,739
Changes in assets and liabilities:				
Accounts receivable	1,542	-	22,838	24,380
Due from other government	(214,909)	-	-	(214,909)
Inventory	10,677	-	-	10,677
Prepaid items	-	(5,000)	(6,699)	(11,699)
Accounts payable and accrued liabilities	202,680	(12,815)	(22,313)	167,552
Claims payable	-	58,981	-	58,981
Net cash provided by (used in) operating activities	\$ 270,870	\$ (120,191)	\$ 72,188	\$ 222,867

CITY OF YPSILANTI, MICHIGAN

Statement of Changes in Assets and Liabilities

Current Tax Agency Fund

For the Year Ended June 30, 2012

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
Assets				
Cash and cash equivalents	\$ 100,084	\$ 34,435,102	\$ 34,455,197	\$ 79,989
Accrued interest receivable	-	11	-	11
Total Assets	<u>\$ 100,084</u>	<u>\$ 34,435,113</u>	<u>\$ 34,455,197</u>	<u>\$ 80,000</u>
Liabilities				
Undistributed receipts	<u>\$ 100,084</u>	<u>\$ 34,435,102</u>	<u>\$ 34,455,186</u>	<u>\$ 80,000</u>

CITY OF YPSILANTI, MICHIGAN

Statement of Net Assets and Governmental Funds Balance Sheet

Downtown Development Authority Component Unit

June 30, 2012

	General Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Assets
Assets					
Cash and cash equivalents	\$ 322,136	\$ 16,517	\$ 338,653	\$ -	\$ 338,653
Accounts receivable	10,023	-	10,023	-	10,023
Capital assets not being depreciated	-	-	-	172,956	172,956
Capital assets being depreciated, net	-	-	-	1,816,749	1,816,749
Total assets	\$ 332,159	\$ 16,517	\$ 348,676	1,989,705	2,338,381
Liabilities					
Accounts payable	\$ 5,651	\$ -	\$ 5,651	-	5,651
Accrued liabilities	10,421	5,458	15,879	-	15,879
Due to other governments	365	-	365	-	365
Unearned revenue	30,000	-	30,000	-	30,000
Long-term liabilities:					
Due within one year	1,144	-	1,144	125,000	126,144
Due in more than one year	1,144	-	1,144	800,000	801,144
Total liabilities	48,725	5,458	54,183	925,000	979,183
Fund balances / net assets					
Committed for capital projects	-	11,059	11,059	(11,059)	-
Unassigned	283,434	-	283,434	(283,434)	-
Total fund balances	283,434	11,059	294,493	(294,493)	-
Total liabilities and fund balances	\$ 332,159	\$ 16,517	\$ 348,676		
Net assets					
Invested in capital assets, net of related debt				1,064,705	1,064,705
Restricted for capital projects				11,059	11,059
Unrestricted				283,434	283,434
Total net assets				\$ 1,359,198	\$ 1,359,198

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, 2012

	General Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Expenditures/expenses					
Community development	\$ 214,613	\$ -	\$ 214,613	\$ 115,337	\$ 329,950
Debt service:					
Principal	65,000	45,000	110,000	(110,000)	-
Interest and fiscal charges	13,730	34,395	48,125	-	48,125
Total expenditures/expenses	293,343	79,395	372,738	5,337	378,075
General revenues					
Property taxes	310,663	-	310,663	-	310,663
Other revenues	1,815	-	1,815	-	1,815
Investment earnings	1,411	36	1,447	-	1,447
Total general revenues	313,889	36	313,925	-	313,925
Excess of general revenues over (under) expenditures/expenses	20,546	(79,359)	(58,813)	(5,337)	(64,150)
Other financing sources (uses)					
Transfers in	-	79,660	79,660	(79,660)	-
Transfers out	(79,660)	-	(79,660)	79,660	-
Total other financing sources (uses)	(79,660)	79,660	-	-	-
Net changes in fund balances	(59,114)	301	(58,813)	58,813	-
Change in net assets	-	-	-	(64,150)	(64,150)
Fund balance/net assets, beginning of year	342,548	10,758	353,306	1,070,042	1,423,348
Fund balance/net assets, end of year	\$ 283,434	\$ 11,059	\$ 294,493	\$ 1,064,705	\$ 1,359,198

CITY OF YPSILANTI, MICHIGAN

Statement of Net Assets and Governmental Funds Balance Sheet

Depot Town Downtown Development Authority Component Unit

June 30, 2012

	General Fund	Adjustments	Statement of Net Assets
Assets			
Cash and cash equivalents	\$ 318,057	\$ -	\$ 318,057
Accounts receivable	32	-	32
Capital assets being depreciated, net	-	276,907	276,907
Total assets	<u>\$ 318,089</u>	<u>276,907</u>	<u>594,996</u>
Liabilities			
Accounts payable / accrued liabilities	\$ 2,129	-	2,129
Accrued liabilities	21	-	21
Due to other governments	11,860	-	11,860
Long-term liabilities:			
Due within one year	267	17,091	17,358
Due in more than one year	981	44,764	45,745
Total liabilities	<u>15,258</u>	<u>61,855</u>	<u>77,113</u>
Fund balances / net assets			
Unassigned	<u>302,831</u>	<u>(302,831)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 318,089</u>		
Net assets			
Invested in capital assets, net of related debt		215,052	215,052
Unrestricted		302,831	302,831
Total net assets		<u>\$ 517,883</u>	<u>\$ 517,883</u>

CITY OF YPSILANTI, MICHIGAN

Statement of Activities and Governmental Fund Revenues, Expenditures

and Changes in Fund Balances

Depot Town Downtown Development Authority Component Unit

For the Year Ended June 30, 2012

	General Fund	Adjustments	Statement of Activities
Expenditures/expenses			
Community development	\$ 218,532	\$ (172,607)	\$ 45,925
Debt service:			
Principal	-	(16,415)	(16,415)
Total expenditures/expenses	218,532	(189,022)	29,510
General revenues			
Property taxes	110,665	-	110,665
Other revenue	15,000	-	15,000
Investment earnings	1,340	-	1,340
Total general revenues	127,005	-	127,005
Net changes in fund balances	(91,527)	91,527	-
Change in net assets	-	97,495	97,495
Fund balance/net assets, beginning of year	394,358	26,030	420,388
Fund balance/net assets, end of year	\$ 302,831	\$ 215,052	\$ 517,883

CITY OF YPSILANTI, MICHIGAN

Statement of Net Assets and Governmental Funds Balance Sheet

Economic Development Corporation

June 30, 2012

	General Fund	Adjustments	Statement of Net Assets
Assets			
Cash and cash equivalents	\$ 208,978	\$ -	\$ 208,978
Capital assets not being depreciated	-	53,200	53,200
Total assets	<u>\$ 208,978</u>	<u>53,200</u>	<u>262,178</u>
Liabilities			
Due to other governments	\$ 72,164	-	72,164
Fund balances / net assets			
Unassigned	136,814	(136,814)	-
Total liabilities and fund balances	<u>\$ 208,978</u>		
Net assets			
Invested in capital assets		53,200	53,200
Unrestricted		136,814	136,814
Total net assets		<u>\$ 190,014</u>	<u>\$ 190,014</u>

CITY OF YPSILANTI, MICHIGAN

Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance Economic Development Corporation For the Year Ended June 30, 2012

	General Fund	Adjustments	Statement of Activities
Expenditures/expenses			
Community development	\$ 1,769	\$ -	\$ 1,769
General revenues			
Investment earnings	797	-	797
Net changes in fund balances	(972)	972	-
Change in net assets	-	(972)	(972)
Fund balance/net assets, beginning of year	137,786	53,200	190,986
Fund balance/net assets, end of year	<u>\$ 136,814</u>	<u>\$ 53,200</u>	<u>\$ 190,014</u>

CITY OF YPSILANTI, MICHIGAN

Statement of Net Assets and Governmental Funds Balance Sheet

Brownfield Redevelopment Authority Component Unit

June 30, 2012

	General Fund	Adjustments	Statement of Net Assets
Assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Liabilities			
Unearned revenue	\$ -	-	-
Fund balances / net assets			
Unassigned	-	-	-
Total liabilities and fund balances	\$ -		
Unrestricted net assets			
Unrestricted		\$ -	\$ -

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, 2012

	General Fund	Adjustments	Statement of Activities
Expenditures/expenses			
Community development	\$ 33,969	\$ -	\$ 33,969
General revenues			
Property taxes	18,998	-	18,998
Investment earnings	86	-	86
Total general revenues	19,084	-	19,084
Net changes in fund balances	(14,885)	14,885	-
Change in net assets	-	(14,885)	(14,885)
Fund balance/net assets, beginning of year	14,885	-	14,885
Fund balance/net assets, end of year	\$ -	\$ -	\$ -

STATISTICAL SECTION

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CITY OF YPSILANTI, MICHIGAN

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

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Page

Financial Trends (schedules 1 thru 4)

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

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Revenue Capacity (schedules 5 thru 8)

These schedules contain information to help the reader assess the government's most significant local sources: property taxes and water and wastewater usage fees.

126

Debt Capacity (schedules 9 thru 13)

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.

130

Demographic and Economic Information (schedules 14 and 15)

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

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Operating Information (schedules 16 thru 19)

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.

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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

Last Ten Years

(accrual basis of accounting)

	2003	2004	2005	2006
Governmental activities				
Invested in capital assets, net of related debt	\$ 1,188,191	\$ 1,901,299	\$ 1,125,536	\$ 12,857,112
Restricted	12,304,472	6,247,200	6,452,591	9,093,066
Unrestricted (deficit)	4,314,607	430,852	5,570,379	(10,295,576)
Total governmental activities net assets	\$ 17,807,270	\$ 8,579,351	\$ 13,148,506	\$ 11,654,602

Source: City of Ypsilanti Finance Department



2007	2008	2009	2010	2011	2012
\$ 15,049,123	\$ 15,179,422	\$ 15,117,105	\$ 14,987,983	\$ 16,952,331	\$ 16,911,390
7,108,155	10,909,451	10,406,691	10,975,911	11,357,896	11,083,068
<u>(7,045,772)</u>	<u>(9,406,528)</u>	<u>(6,404,471)</u>	<u>(6,202,344)</u>	<u>(6,850,753)</u>	<u>(7,091,726)</u>
<u>\$ 15,111,506</u>	<u>\$ 16,682,345</u>	<u>\$ 19,119,325</u>	<u>\$ 19,761,550</u>	<u>\$ 21,459,474</u>	<u>\$ 20,902,732</u>

CITY OF YPSILANTI, MICHIGAN

Changes in Net Assets

Last Ten Years

(accrual basis of accounting)

	2003	2004	2005	2006
Expenses				
General government	\$ 1,581,277	\$ 1,419,098	\$ 1,532,445	\$ 1,679,364
Public safety	6,583,816	7,429,566	7,251,128	8,185,587
Public works	6,864,588	7,794,953	2,092,229	6,423,905
Highways, streets, and bridges	617,387	2,102,452	1,921,935	1,736,108
Culture and recreation	1,012,428	1,208,152	1,250,186	1,013,582
Community development	569,456	825,539	878,517	439,851
Public transportation	-	-	-	-
Interest on long-term debt	1,612,540	2,583,923	2,958,920	2,866,288
Total expenses	18,841,492	23,363,683	17,885,360	22,344,685
Program revenues				
Charges for services:				
General government	354,671	472,612	450,699	462,082
Public safety	649,394	572,581	420,034	570,059
Public works	456,297	586,563	714,187	538,989
Highways, streets and bridges	-	-	-	-
Culture and recreation	60,668	51,059	115,362	138,705
Community development	-	-	-	-
Operating grants and contributions	3,161,931	2,504,507	2,794,375	2,433,593
Capital grants and contributions	2,249,767	4,420,907	3,727,652	3,087,106
Total program revenues	6,932,728	8,608,229	8,222,309	7,230,534
Net (expense) / revenue	(11,908,764)	(14,755,454)	(9,663,051)	(15,114,151)
General revenues				
Property taxes	9,196,969	9,629,815	9,735,731	10,560,479
Unrestricted grants and contributions	3,841,320	3,489,839	3,375,034	3,338,792
Unrestricted investment earnings (loss)	456,872	161,630	1,121,441	(284,207)
Other general revenues	27,739	34,650	-	5,183
Total general revenues	13,522,900	13,315,934	14,232,206	13,620,247
Special item				
Change in fair value of land held for resale	-	(7,788,399)	-	-
Change in net assets	\$ 1,614,136	\$ (9,227,919)	\$ 4,569,155	\$ (1,493,904)

Source: City of Ypsilanti Finance Department

Table 2
Unaudited

	2007	2008	2009	2010	2011	2012
\$	2,021,481	\$ 2,212,245	\$ 2,788,130	\$ 3,075,617	\$ 3,326,238	\$ 2,866,101
	9,601,958	9,618,481	8,563,993	8,638,877	8,257,558	8,601,201
	4,470,462	2,084,186	1,935,048	2,031,833	1,980,913	2,015,694
	2,022,071	2,562,769	3,165,639	3,612,341	1,192,916	2,823,389
	784,039	570,113	465,538	435,711	69,221	367,484
	415,116	340,815	330,041	229,274	189,050	184,244
	-	-	-	-	-	262,320
	2,514,514	2,834,154	2,710,134	2,748,116	2,481,838	2,329,834
	<u>21,829,641</u>	<u>20,222,763</u>	<u>19,958,523</u>	<u>20,771,769</u>	<u>17,497,734</u>	<u>19,450,267</u>
	544,717	1,097,252	1,445,822	1,153,950	1,121,010	1,241,641
	499,197	720,555	947,998	959,591	1,098,886	935,124
	516,539	-	-	-	-	-
	-	-	-	-	-	93,722
	87,033	-	-	-	-	-
	-	1,250	1,200	1,200	1,200	1,200
	2,878,483	3,504,349	3,734,396	4,930,921	3,585,313	2,712,064
	4,891,245	672,269	94,250	110,078	609,256	322,858
	<u>9,417,214</u>	<u>5,995,675</u>	<u>6,223,666</u>	<u>7,155,740</u>	<u>6,415,665</u>	<u>5,306,609</u>
	<u>(12,412,427)</u>	<u>(14,227,088)</u>	<u>(13,734,857)</u>	<u>(13,616,029)</u>	<u>(11,082,069)</u>	<u>(14,143,658)</u>
	11,310,693	11,503,422	12,098,938	11,417,456	9,907,455	10,555,401
	3,276,430	3,070,879	3,000,840	2,671,507	2,670,643	2,256,140
	1,118,294	1,223,621	817,091	169,291	201,895	775,375
	163,914	-	-	-	-	-
	<u>15,869,331</u>	<u>15,797,922</u>	<u>15,916,869</u>	<u>14,258,254</u>	<u>12,779,993</u>	<u>13,586,916</u>
	-	-	-	-	-	-
\$	<u>3,456,904</u>	<u>\$ 1,570,834</u>	<u>\$ 2,182,012</u>	<u>\$ 642,225</u>	<u>\$ 1,697,924</u>	<u>\$ (556,742)</u>

CITY OF YPSILANTI, MICHIGAN

Fund Balances - Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2003	2004	2005	2006
General fund				
Nonspendable				
Committed				
Unassigned				
Reserved	\$ 501,530	\$ 477,742	\$ 99,780	\$ 99,518
Unreserved, designated	1,844,976	1,318,413	1,990,157	2,457,812
Unreserved, undesignated	331,293	915,139	1,586,873	1,670,594
Total general fund	2,677,799	2,711,294	3,676,810	4,227,924
All other governmental funds				
Nonspendable				
Restricted				
Committed				
Unassigned (deficit)				
Reserved	23,126,978	14,949,777	10,111,447	9,432,511
Unreserved, designated	-	-	-	-
Unreserved, undesignated				
reported in:				
Special revenue funds	3,729,777	3,547,024	4,183,232	3,370,274
Debt service funds	608,079	2,203,846	1,856,755	1,952,024
Capital projects funds	766,971	(2,054,443)	(769,583)	597,400
Total all other governmental funds	28,231,805	18,646,204	15,381,851	15,352,209
Total governmental funds	\$ 30,909,604	\$ 21,357,498	\$ 19,058,661	\$ 19,580,133

Source: City of Ypsilanti Finance Department

Table 3
Unaudited

2007	2008	2009	2010	2011	2012
				\$ 269,199	\$ 344,707
				5,579,241	4,378,434
				3,545,913	3,936,006
\$ 311,238	\$ 284,902	\$ 208,839	\$ 206,175	-	-
2,198,717	3,995,995	6,312,543	6,820,988	-	-
3,078,083	2,969,171	2,947,235	2,436,793	-	-
<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>	<u>8,659,147</u>
				4,763,817	4,763,817
				5,671,778	4,869,060
				922,301	1,411,547
				-	(23,938)
8,174,089	6,788,292	6,620,715	6,302,934	-	-
429,428	609,332	609,332	309,560	-	-
				-	-
1,826,258	1,858,287	1,740,343	2,664,551	-	-
1,756,508	1,655,707	1,773,204	1,787,942	-	-
796,632	1,169,857	824,485	861,140	-	-
<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>11,020,486</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>	<u>\$ 19,679,633</u>

CITY OF YPSILANTI, MICHIGAN

Changes in Fund Balances - Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2003	2004	2005	2006
Revenues				
Taxes and special assessments	\$ 9,243,969	\$ 9,680,279	\$ 9,779,484	\$ 10,559,261
Licenses and permits	553,615	630,677	750,293	617,089
Intergovernmental	6,883,669	9,150,474	7,499,981	7,254,893
Charges for services	559,197	633,599	698,086	931,525
Fines and forfeits	216,850	153,178	225,384	362,432
Investment earnings	82,413	(45,083)	437,809	(297,092)
Other revenues	2,660,547	2,199,836	1,465,233	1,410,678
Total revenues	20,200,260	22,402,960	20,856,270	20,838,786
Expenditures				
General government	2,778,807	2,901,404	2,888,462	2,300,056
Public safety	7,330,976	7,398,919	7,121,191	8,114,602
Public works	6,165,266	9,352,172	6,969,115	2,659,544
Refuse collection	918,796	982,302	963,935	1,016,505
Highways, streets and bridges	2,357,975	1,211,559	1,232,042	1,180,647
Culture and recreation	1,042,526	834,871	302,147	206,698
Community development	232,846	291,779	215,156	214,575
Public transportation	-	-	-	-
Unallocated employee benefits	853,329	754,956	739,790	847,947
Tax tribunal refunds	-	-	-	-
Capital outlay	19,536,533	8,656,714	6,660,712	2,375,227
Debt service:				
Principal	987,281	3,182,693	1,718,202	2,299,949
Interest and fiscal charges	776,324	2,041,157	4,468,430	3,145,864
Total expenditures	42,980,659	37,608,526	33,279,182	24,361,614
Revenues over (under) expenditures	(22,780,399)	(15,205,566)	(12,422,912)	(3,522,828)
Other financing sources (uses)				
Transfers in	2,606,504	2,973,600	2,355,341	1,924,858
Transfers out	(2,631,504)	(2,973,600)	(2,373,144)	(1,924,858)
Issuance of debt	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)	33,763,904	13,441,864	10,124,075	4,044,300
Extraordinary item - change in market value of land held for resale	-	(7,788,399)	-	-
Net change in fund balances	\$ 10,983,505	\$ (9,552,101)	\$ (2,298,837)	\$ 521,472
Debt service as a percentage of noncapital expenditures	7.5%	18.0%	23.2%	24.8%

Source: City of Ypsilanti Finance Department

Table 4
Unaudited

2007	2008	2009	2010	2011	2012
\$ 11,310,662	\$ 11,503,422	\$ 12,098,938	\$ 11,417,456	\$ 9,907,455	\$ 10,555,401
576,436	665,684	657,459	530,812	666,586	734,250
7,750,482	7,826,046	7,667,265	7,880,092	8,369,061	6,678,576
987,433	416,730	582,283	533,974	542,669	448,341
297,667	394,089	445,965	475,530	597,265	516,393
932,581	912,077	743,107	35,676	165,346	413,204
1,704,958	534,781	840,477	716,969	541,067	680,652
<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>	<u>20,026,817</u>
2,375,208	2,409,836	2,170,189	2,127,907	2,433,291	2,141,990
9,811,440	8,744,920	8,431,824	8,182,781	8,326,438	8,093,201
1,954,923	997,305	1,194,766	912,196	848,754	788,210
1,079,251	1,171,953	1,184,977	1,078,414	1,065,037	1,041,143
1,814,492	1,973,109	1,691,811	1,540,487	1,592,516	1,740,226
162,189	446,196	358,179	457,372	348,756	300,134
179,915	178,636	146,167	544,408	498,817	75,033
-	-	226,756	158,967	218,000	262,183
925,577	1,161,692	1,188,986	964,144	878,085	950,627
-	-	-	-	-	397,353
840,776	-	-	-	-	-
2,665,245	2,501,875	2,627,079	2,738,504	2,970,000	3,175,000
2,766,159	2,767,662	2,692,892	2,705,052	2,561,716	2,326,442
<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>21,291,542</u>
<u>(1,014,956)</u>	<u>(100,355)</u>	<u>1,121,868</u>	<u>180,277</u>	<u>(951,961)</u>	<u>(1,264,725)</u>
1,139,551	999,347	1,219,140	2,300,123	1,639,043	2,122,966
(1,189,551)	(899,683)	(1,187,059)	(2,214,414)	(1,431,863)	(1,930,857)
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>192,109</u>
-	-	-	-	-	-
<u>\$ (1,009,180)</u>	<u>\$ 296,905</u>	<u>\$ 1,657,907</u>	<u>\$ 353,387</u>	<u>\$ (637,834)</u>	<u>\$ (1,072,616)</u>
<u>22.6%</u>	<u>25.1%</u>	<u>25.2%</u>	<u>25.8%</u>	<u>29.9%</u>	<u>27.7%</u>

Assessed and Taxable Value of Property
 For the Years 2003 through 2012

Tax Year	Fiscal Year Ended	Real Property (1)		Personal Property (1)		Total		Total Direct Tax Rate
		Taxable Value	(2) Assessed Value	Taxable Value	(2) Assessed Value	Taxable Value	(2) Assessed Value	
2011	2012	\$290,163,934	\$309,315,255	\$ 19,030,100	\$ 19,030,100	\$309,194,034	\$328,345,355	33.6731
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

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

(2) Estimated actual value equals the assessed value.

Source: City of Ypsilanti Assessing Division

Direct and Overlapping Property Tax Rates
(rate per \$1,000 of taxable value)

Fiscal Year Ended June 30,	City	Ypsilanti Public Schools	State Education Tax	Washtenaw Intermediate School District	County	Washtenaw Community College	Ypsilanti District Library	Totals	
								Homestead	Non-Homestead
2012	33.6731	25.0000	6.0000	3.9745	5.7518	3.7176	2.7410	62.8580	80.8580
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

Components of City Millage Rate							
Fiscal Year Ended June 30,	General Operating	Sanitation	Streets	Public Transport	Police and Fire Pension	YCUA Debt	Total
2012	19.0211	2.7814	4.5685	0.97890	6.3232	-	33.6731
2011	19.0211	2.7814	4.3933	-	5.3356	-	31.5314
2010	19.0211	2.7814	3.9086	-	5.1481	-	30.8592
2009	19.0211	2.7814	3.7170	-	5.0821	-	30.6016
2008	19.0211	2.7814	3.3376	-	4.4394	-	29.5795
2007	19.0211	2.7814	3.4641	-	3.9850	0.2783	29.5299
2006	19.0211	2.7814	3.7485	-	2.7660	0.7131	29.0301
2005	19.0937	2.7921	3.5967	-	1.7197	0.7139	27.9161
2004	19.0937	2.7870	3.8533	-	1.7593	0.7887	28.2820
2003	19.0109	2.8332	2.9510	-	1.8162	0.7972	27.4085

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

Principal Property Tax Payers
Current Year and Nine Years Ago
(amounts expressed in thousands)

Taxpayer	2012			2003		
	Taxable Value	Rank	Percent of Total Taxable Value	Taxable Value	Rank	Percent of Total Taxable Value
Leforge Station II, LLC	\$ 5,155,100	1	1.67%	\$ -		-
Barnes & Barnes Properties, LLC	3,124,472	2	1.01%	-		0.00%
River Drive Apartments	2,922,500	3	0.95%	3,521,409	4	0
Michigan Consolidated Gas Company	2,847,200	4	0.92%	-		-
The Detroit Edison Company	2,655,500	5	0.86%	-		0.00%
Khailany Asad	1,936,966	6	0.63%	2,895,600	10	0.88%
Forest Knoll Apts	1,810,514	7	0.59%	-		-
Fhmc Real Estate, LLC	1,689,928	8	0.55%	-		-
Comcast of the South, Inc.	1,660,700	9	0.54%	-		-
Beal Properties, LLC	1,592,731	10	0.52%	-		-
Visteon Corporation	-		-	32,397,400	1	9.89%
DTE- Detroit Edison	-		-	4,312,047	2	1.32%
Forest Health Services, LLC	-		-	3,733,480	3	1.14%
DTE- Mich Con	-		-	2,758,500	5	0.84%
Barnes Robert C & Sharon L	-		-	2,704,959	6	0.83%
Aces Held, LLC	-		-	2,488,200	7	0.76%
Riverrain Apartments	-		-	1,943,014	8	0.59%
Comcast Cablevision	-		-	1,939,200	9	0.59%
	<u>\$25,395,611</u>		<u>8.24%</u>	<u>\$58,693,809</u>		<u>17.91%</u>

Source: City of Ypsilanti Assessing Division

Property Tax Levies and Collections
Last Ten Years

(1) Fiscal Year Ended June 30,	(2) Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		(3) Delinquent Collections	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2012	\$ 7,836,628	\$ 6,978,910	89.1%	\$ 726,765	\$ 7,705,675	98.3%
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%

(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 Years

	2003	2004	2005	2006
Governmental activities				
General obligation bonds	\$ 22,100,000	\$ 25,810,000	\$ 27,715,000	\$ 29,525,000
Revenue bonds	25,379,320	32,524,115	38,825,827	38,003,306
Installment obligations	5,400,725	4,694,749	3,248,526	3,688,747
Amounts available in debt service funds	(608,079)	(2,203,846)	(1,856,755)	(1,952,024)
Total governmental activities	52,271,966	60,825,018	67,932,598	69,265,029
Business-type activities				
Revenue bonds	-	-	-	-
Total outstanding debt	\$ 52,271,966	\$ 60,825,018	\$ 67,932,598	\$ 69,265,029
Total taxable value	\$ 327,613,159	\$ 338,308,459	\$ 346,038,615	\$ 359,195,156
Ratio of total debt to taxable value	15.96%	17.98%	19.63%	19.28%
Total population	22,138	21,989	21,949	21,767
Total debt per capita	\$ 2,361	\$ 2,766	\$ 3,095	\$ 3,182
% of personal income	6.45%	7.34%	8.10%	8.23%
Personal income	\$ 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.

Table 9
Unaudited

2007	2008	2009	2010	2011	2012
\$ 28,660,000	\$ 27,750,000	\$ 26,800,000	\$ 25,805,000	\$ 24,560,000	\$ 23,080,000
36,945,000	35,797,596	34,776,554	33,277,955	31,616,984	29,921,984
3,546,808	3,399,933	3,247,854	3,090,350	3,090,350	3,090,350
(1,756,508)	(1,655,707)	(1,773,204)	(1,787,942)	(1,766,812)	(1,744,330)
67,395,300	65,291,822	63,051,204	60,385,363	57,500,522	54,348,004
-	-	-	-	-	-
<u>\$ 67,395,300</u>	<u>\$ 65,291,822</u>	<u>\$ 63,051,204</u>	<u>\$ 60,385,363</u>	<u>\$ 57,500,522</u>	<u>\$ 54,348,004</u>
\$ 396,065,501	\$ 413,729,543	\$ 402,643,702	\$ 370,475,911	\$ 329,993,209	\$ 309,194,034
17.02%	15.78%	15.66%	16.30%	17.42%	17.62%
21,827	20,849	20,437	19,201	19,435	19,375
\$ 3,088	\$ 3,132	\$ 3,085	\$ 3,145	\$ 2,959	\$ 2,811
7.74%	7.66%	7.54%	7.69%	7.69%	7.43%
\$ 870,723	\$ 852,828	\$ 835,975	\$ 785,417	\$ 735,790	\$ 733,518

Ratios of Net General Bonded Debt Outstanding
 Last Ten Years

Year	General Obligation Bonds	Less: Amounts Restricted to Repaying Principle	Net General Bonded Debt	% of Actual Taxable Value of Property	Per Capita
2012	\$ 23,080,000	\$ 1,744,330	\$ 21,335,670	6.94%	\$ 1,108
2011	24,560,000	1,766,812	22,793,188	6.91%	1,173
2010	25,805,000	1,787,942	24,017,058	6.48%	1,251
2009	26,800,000	1,773,204	25,026,796	6.22%	1,225
2008	27,750,000	1,655,707	26,094,293	6.31%	1,252
2007	31,410,350	1,756,508	29,653,842	7.49%	1,359
2006	32,275,350	1,952,024	30,323,326	8.44%	1,393
2005	30,465,350	1,856,755	28,608,595	8.27%	1,303
2004	28,118,324	2,203,846	25,914,478	7.66%	1,179
2003	24,408,324	608,079	23,800,245	7.26%	1,075

Source: City of Ypsilanti Finance Department

CITY OF YPSILANTI, MICHIGAN

Table 11
Unaudited

Computation of Net Direct and Overlapping Debt
June 30, 2012

	Gross Amount Outstanding	Self-Supporting or Paid by Benefited Government	Net Amount Outstanding
Direct debt			
General obligation bonds	\$ 23,080,000	\$ -	\$ 23,080,000
General obligation bonds - DDA	925,000	925,000	-
Revenue bonds	29,921,984	29,921,984	-
Revenue bonds - Depot Town DDA	61,855	61,855	-
Installment obligations	3,090,350	-	3,090,350
Total direct debt	<u>\$ 57,079,189</u>	<u>\$ 30,908,839</u>	<u>26,170,350</u>
Overlapping debt			
Ypsilanti School District			27,745,913
Washtenaw County			1,975,228
Washtenaw Community College			523,575
Ypsilanti District Library			1,331,033
Total overlapping debt			<u>31,575,749</u>
Total direct and overlapping debt			<u>\$ 57,746,099</u>

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

CITY OF YPSILANTI, MICHIGAN

Table 12
Unaudited

Legal Debt Margin
Last Ten Years

Legal debt margin calculation for 2011	
Assessed value (state equalized value)	<u>\$ 328,345,355</u>
Debt limit (10% of assessed value)	<u>\$ 32,834,536</u>
Net debt subject to limitation:	
General obligation bonds	23,080,000
Less amounts available for repayment of general obligation bonds	<u>(1,744,330)</u>
	<u>21,335,670</u>
Legal debt margin	<u>\$ 11,498,866</u>

	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Ratio
2012	\$ 32,834,536	\$ 21,335,670	\$ 11,498,866	64.98%
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

Revenue Bond Coverage
Last Ten Years

Fiscal Year Ended August 31,	(1) Gross Revenue	(2) Operating Expenses	Net Revenue Available for Debt Service	(3) Total Debt Service Requirement	Coverage
2011	\$ 33,586,953	\$ 26,167,217	\$ 7,419,736	\$ 5,683,760	130.5%
2010	31,115,683	25,491,690	5,623,993	6,002,290	94.0%
2009	34,348,642	26,841,880	7,506,762	5,653,810	133.0%
2008	35,548,571	27,925,431	7,623,140	5,368,807	142.0%
2007	37,781,498	26,934,363	10,847,135	5,596,598	194.0%
2006	33,818,172	25,512,868	8,305,304	6,534,757	127.0%
2005	34,602,217	23,178,366	11,423,851	6,108,306	187.0%
2004	33,550,541	21,058,612	12,491,929	5,252,872	238.0%
2003	27,197,424	21,476,377	5,721,047	4,689,848	122.0%
2002	26,308,768	20,241,129	6,067,639	4,335,292	140.0%

Source: Ypsilanti Community Utilities Authority comprehensive annual financial report.

(Note: YCUA is on a August 31 fiscal year end; as such, the 2012 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.

Demographic and Economic Statistics
Last Ten Years

Year	(1) Population	(2) Total Personal Income (in thousands)	(2) Per Capita Income	(3) School Enrollment	(4) Unemployment Rate
2012	19,375	\$ 733,518	\$ 37,859	3,678	6.2%
2011	19,435	735,790	37,859	3,175	9.6%
2010	19,201	726,931	37,859	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%

Year	(1) Population	(1) Median Age
2010	19,435	24
2000	22,237	24
1990	24,846	24
1980	24,031	24
1970	29,538	24
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. For years 2010, 2011, and 2012 data was not yet available (used prior year data).

(3) Data from Ypsilanti Public School District

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

Principal Employers
Current Year and Nine Years Ago

Employer	2012			2003		
	Employees	Rank	% of Workforce	Employees	Rank	% of Workforce
Eastern Michigan University	1,942	1	16.94%	2,094	2	17.04%
Ypsilanti Public Schools	514	2	4.48%	690	3	5.61%
Washtenaw County	262	3	2.29%	461	4	3.75%
Bortz Health Care of Ypsilanti	148	4	1.29%	143	7	1.16%
City of Ypsilanti	93	5	0.81%	139	8	1.13%
Forest Health Services	84	6	0.73%	24	-	-
Marsh Plating & Finishing Services	72	7	0.63%	71	9	0.58%
Walgreens	57	8	0.50%	70	10	0.57%
Fischer Honda	34	9	0.30%	82	12	0.67%
Bird Brain	20	10	0.17%	-	-	-
Ford Motor Company	-	-	-	2,273	1	18.49%
Beyer Hospital	-	-	-	375	5	3.05%
Exemplar Manufacturing	-	-	-	147	6	1.20%
Gene Butman Ford	-	-	-	62	11	0.50%
	<u>3,226</u>		<u>28.14%</u>	<u>6,631</u>		<u>53.75%</u>

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

Employees by Department
 Last Ten Years

Function/Program	Full-time Equivalent Employees as of June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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)	2.75	2.50	2.00	2.50	2.00	2.10	1.85	1.85	1.85	1.85
Human Resources (226)	2.00	2.00	2.00	2.00	1.80	1.90	1.55	1.55	1.55	1.55
Ordinance Enforcement (341)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.50	0.50	0.50
Building Inspection (371)	6.00	5.00	5.00	5.00	5.00	5.00	5.25	3.75	3.58	3.35
Planning & Development (801)	5.00	5.00	5.00	4.50	3.50	3.40	1.65	1.65	1.65	2.38
Recreation (707)	4.75	1.75	1.00	-	-	-	-	-	-	-
	<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>	<u>9.63</u>
Citizen services										
Voters Registration, school and county election (191)	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	1.95
	<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>	<u>1.95</u>
Administrative Hearing Bureau	-	-	-	-	-	-	-	-	-	0.10
Fire services										
Administration (337)	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00
Suppression (339)	21.00	21.00	21.00	21.00	21.00	23.00	21.00	21.00	19.00	18.50
	<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>	<u>19.50</u>
Fiscal services										
Finance - Accounting (201)	3.00	3.00	3.00	3.00	2.70	3.20	3.20	3.20	3.03	3.03
Finance - Assessor (209)	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	0.93
Finance - Treasurer (253)	2.50	2.50	2.00	2.00	1.80	1.50	1.50	1.50	1.34	1.34
	<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>	<u>5.30</u>
Police services										
Administration (305)	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00
Field Services (307)	51.00	42.00	42.00	42.00	40.00	41.00	37.00	38.40	28.00	28.00
COPS Grant	-	-	-	-	-	-	-	-	3.00	3.00
Parking Enforcement (311)	2.00	6.00	6.00	6.00	6.00	4.00	2.00	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	-
	<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>37.00</u>	<u>36.00</u>
Public services										
Parks, streets, building, parking lots, and garbage collection	22.00	22.00	22.00	23.00	22.00	21.75	19.00	17.00	17.00	17.00
Administration (441)	3.75	3.75	3.75	3.75	3.75	4.00	3.75	3.75	3.88	3.88
	<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>	<u>20.88</u>
Total full-time employees	<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>94.38</u>	<u>93.36</u>
Total council and full-time employees	<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>101.38</u>	<u>100.36</u>

Source: City of Ypsilanti Finance Department

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CITY OF YPSILANTI, MICHIGAN

Operating Indicators by Function/Program

Last Ten Years

Function/Program	2003	2004	2005	2006
Public Safety				
Police services				
Number of uniform crime reporting	4,515	4,324	3,946	4,171
Number of traffic violations	3,345	2,550	3,492	3,275
Number of arrests	1,953	1,935	1,327	1,479
Number of parking violations	10,030	9,522	16,954	14,851
Fire services				
Number of calls answered	632	582	511	478
Number of inspections conducted	783	859	778	785
Public Services				
Miles of local streets maintained	20.56	20.56	20.56	20.56
Miles of major streets maintained	33.18	33.18	33.18	33.18
Public Utilities				
Miles of water mains	53.74	53.74	53.74	53.74
Number of fire hydrants	663	663	663	663

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

Table 17
Unaudited

2007	2008	2009	2010	2011	2012
4,524	3,087	3,349	3,295	1,936	2,983
3,269	3,538	7,502	8,458	3,253	3,609
1,818	1,484	2,015	1,864	1,738	1,715
11,369	6,818	9,654	9,611	9,880	10,593
511	402	553	566	564	600
980	996	1,396	1,464	1,588	400
21.22	21.22	21.22	21.22	21.22	21.22
32.52	32.52	32.44	32.44	32.44	32.44
53.74	53.74	53.74	53.74	53.74	58.66
663	663	663	663	663	582

CITY OF YPSILANTI, MICHIGAN

Table 18
Unaudited

Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	13	13	12	12	10	10	10	10	9
Unmarked police vehicles	9	8	8	7	7	7	6	6	7	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	1
Volunteer service vehicle	-	-	-	1	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	2	2	2	2	2	2	2
Pumper ladder truck	2	2	2	1	1	1	1	1	1	1
Rescue truck	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	-	-	-	-	-
Pickup truck	1	1	1	1	1	1	1	1	1	2
Utility van	1	1	1	1	1	1	1	1	1	-
Administrative Services										
Crown Victoria - CH	2	2	2	2	2	2	1	1	1	1
Impala	-	-	-	-	-	-	-	-	1	1
Taurus - CM	-	-	-	-	-	-	1	1	1	1
Building enforcement vehicles	4	4	4	4	4	4	2	2	3	3
Public Services										
Passenger										
Crown Victoria	2	2	2	2	2	2	3	4	3	2
Escape	-	-	-	-	-	-	-	-	1	1
Van	2	2	2	2	2	2	1	1	1	-
Van with Aerial Lift	-	-	-	-	-	-	1	1	1	1
Trucks:										
Pick-up	9	9	9	9	9	9	8	9	8	7
with Aerial Lift	-	-	-	-	-	-	3	3	3	1
Dump	9	9	9	9	9	9	9	9	10	11
with Grapple	-	-	-	-	-	-	1	1	1	1
Stake	7	7	7	7	7	7	6	6	6	6
with Aerial Lift	2	2	2	2	2	2	-	-	-	1
Recycle Truck	1	1	1	1	1	1	1	1	1	-
Packer Truck	3	3	3	3	3	3	4	4	4	4
Brush Chipper	2	2	2	2	2	2	3	3	1	1

Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Tractors:										
with Front Loader	2	2	2	2	2	2	2	2	2	1
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	1
Garden	9	9	9	9	9	9	9	9	9	7
Wide Area Mower	-	-	-	-	-	-	1	1	1	1
Loader with Bucket	2	2	2	2	2	2	3	3	3	3
Rear Loader	-	-	-	-	-	-	-	-	1	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	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
Star Drill	1	1	1	1	1	1	1	1	1	1
Flail Mower	1	1	1	1	1	1	1	1	-	-
Trailer	3	3	3	3	3	3	4	4	4	4
Sign Driver	-	-	-	-	-	-	-	-	1	1
Auger	2	2	2	2	2	2	2	2	2	2
Street Sweeper	2	2	2	2	2	2	2	2	2	3
Compactor	1	1	1	1	1	1	1	1	1	1
Cement Mixer	2	2	2	2	2	2	2	2	1	1
Bituminous	1	1	1	1	1	1	1	1	1	1
Hyd. Sewer Cleaner	2	2	2	2	2	2	2	2	1	1
Compressor	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	11	11
Weed Eater (brush cutter)	-	-	-	-	-	-	-	-	-	1
Rotary Lawn Mower	1	1	1	1	1	1	2	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	2	2	2
Maint. Drawn Tracor Blade	1	1	1	1	1	1	1	1	1	1
Sod Cutter	1	1	1	1	1	1	1	1	1	1
Rotary Tiller	1	1	1	1	1	1	1	1	1	1
Chain Saw	11	11	11	11	11	11	11	11	12	12
Power Pruner	3	3	3	3	3	3	4	4	3	3
Stump Cutter	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

Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	1	1
Weed Eater/Hedge Trimmer	-	-	-	-	-	-	-	-	-	1
Parks & Recreation										
Parks:										
Active	8	8	8	8	8	8	8	8	8	8
Inactive	2	2	2	2	2	2	1	1	1	1
Tot Lots	2	2	2	2	2	2	3	3	3	3
Park acreage:										
Active parks	81	81	81	81	81	81	81	81	81	81
Inactive	4	4	4	4	4	4	2	2	2	2
Tot Lots	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	9	9	9
Swimming Pool	1	1	1	1	1	1	1	1	1	1
Amphitheater	1	1	1	1	1	1	1	1	1	1
Multiuse Trail	2	2	2	2	2	2	-	-	1	1
Park and Play Area Acreage										
Candy Cane Park	7	7	7	7	7	7	7	7	7	7
Carrie Mattingly Tot Lot	1	1	1	1	1	1	1	1	1	1
Charles Street Tot Lot	0	0	0	0	0	0	0	0	0	0
Edith Hefley Park	1	1	1	1	1	1	1	1	1	1
Frog Island Park	7	7	7	7	7	7	7	7	7	7
Gilbert Park	2	2	2	2	2	2	-	-	-	-
Parkridge Park Community Center	8	8	8	8	8	8	8	8	8	8
Peninsular Park	5	5	5	5	5	5	5	5	5	5
Prospect Park	10	10	10	10	10	10	10	10	10	10
Recreation Park/Pool/Senior Center	17	17	17	17	17	17	17	17	17	17
Riverside Park	14	14	14	14	14	14	14	14	14	14
Waterworks Park	13	13	13	13	13	13	13	13	13	13

CITY OF YPSILANTI, MICHIGAN

Table 18
Unaudited

Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	-
Frog Island Park	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	2	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	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	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	-
The Tridge	-	-	-	-	-	-	-	-	-	-
Ypsilanti Automotive Heritage Collection	1	1	1	1	1	1	1	1	1	1
Ypsilanti District Library	1	1	1	1	1	1	1	1	1	1
Ypsilanti Historical Museum	1	1	1	1	1	1	1	1	1	1
Ypsilanti Water Tower	1	1	1	1	1	1	1	1	1	1
Ypsilanti West Commerce Park	1	1	1	1	1	1	1	1	1	1

Source: City of Ypsilanti Finance Department

Schedule of Insurance
As of June 30, 2012

Type of Coverage Name of	Policy Period	Premium	Description
Michigan Municipal League Liability and Property Pool	08/01/11-08/01/12	\$ 293,140	Covers general liability, police professional liability and public officials errors & omissions. Limit of liability \$2,000,000.
Michigan Municipal League Liability and Property Pool	08/01/11-08/01/12	55,666	Covers equipment and automobiles.
Michigan Municipal League Liability and Property Pool	08/01/11-08/01/12	20,949	Covers buildings and attached property.
Zurich North America	8/30/11-8/30/12	2,630	Covers commercial storage tank
Blue Cross - Blue Shield, Assurant, EHIM, Fort Dearborn, MECA, UNUM	07/01/2011-06/30/2012	1,975,298	Employee and retiree benefits: health, dental, prescription, life, vision and long-term disability.
Comp One Administrator and Accident Fund	07/01/2011-06/30/2012	146,897	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