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MICHIGAN



# Community Impact Comprehensive Annual Financial Report

Year Ended June 30, 2014

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# City of Ypsilanti, Michigan

[www.cityofypsilanti.com](http://www.cityofypsilanti.com)

## Comprehensive Annual Financial Report

For the Year Ended June 30, 2014

Prepared by:

Marilou Uy, Director of Fiscal Services

Rheagan Basabica, Accountant II

# CITY OF YPSILANTI, MICHIGAN

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## INTRODUCTORY SECTION

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**City of Ypsilanti**

Finance Department  
Accounting Division

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December 8, 2014

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, 2014. 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. These do not include controls whose cost exceeds the benefits to be derived from them, as the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements. 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 Fiscal Services, Rehmann Robson 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 from MDOT, water and sewer pump improvements from capitalization grants (in conjunction with YCUA) and Clean Water State Revolving Funds, CDBG pass-through from Washtenaw County for Harriet Street Corridor Redevelopment, ADA ramps, senior center improvements, Water Street Reforestation Initiative, Community Challenge Planning for Master Plan/Zoning for River's Edge Linear Park, Ypsilanti Heritage Bridge, special program for Aging Title III, Part C from the U.S. Department Health and Human Services, Priority Road Investment Project from MDOT to reconstruct Prospect Road, Assistance to Firefighters Grant, and the 2013 Bulletproof Vest Program.

Abraham & Gaffney, P.C., Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Ypsilanti's financial statements for the year ended June 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of the Government

The City of Ypsilanti, incorporated in 1858, is located in the southeast region of Michigan’s lower peninsula in Washtenaw County, approximately 30 miles west of Detroit, with a population of approximately 20,142. 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 festival 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 and joint venture entities such as Ypsilanti Downtown Development Authority (YDDA) and Ypsilanti Community Utilities Authority (YCUA).

The City Council is required to adopt a final operating budget prior to the beginning of each fiscal year. This annual budget serves as the foundation for the City of Ypsilanti’s financial planning and control. The budget is approved at the fund level, however, 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 96.5 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 Art Center 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 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 Ypsi Art Fair and MittenFest provide exposure to local artists and musicians.

**Local Economy**

Local unemployment is around 5.2% percent, and has been consistently at or below the state average (at August 2014, 7.4 percent) and below the national average of 5.9 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 (ELG). These local units of government have collaborated to locate a business incubator in Ypsilanti's downtown Central Business District, as well as make gap financing funds and other microloans available on the eastern side of the county, and region-wide.

The City of Ypsilanti has a population of 20,142 according to current estimates. This is an increase from the census of 2010, which showed a population of 19,435.

The City's state equalized value has decreased 33.36% compared to ten years ago. The City's total equalized value of taxable property for tax year 2014 is approximately \$312 million, an increase of about \$9.3 million, or roughly 3.08% 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 declined to 85.09 FTE's for fiscal year 2013 but increased to 89.97 for fiscal 2014.

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. In 2014, the City became a founding member of the Eastern Washtenaw Safety Alliance (EWSA). This alliance, consisting of the Washtenaw County Sherriff's Office, the Eastern Michigan University Public Safety Department and the City of Ypsilanti Police Department, pooled police resources from each agency in order to provide even better safety service to the Ypsilanti Metropolitan Area.

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. 2013 marks the first year in 5 years where the city's taxable value has increased. Automotive Component Holdings (ACH) formerly the City's largest taxpayer ceased operation in December 2008 and 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 \$4.3 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 until TIF capture or revenue from the sale of land is available. The unassigned general fund balance for fiscal year 2014 is \$2,968,261, which is 19.21 % of fiscal year 2013-14 general fund amended expenditures.

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. However, this year, the city's required contribution to the Fire and Police pension plan starting FY 2016 decreased based on the actuarial report. The funding ratio improved as the result of benefit changes. 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. Substantial cost containment strategies and reductions have been employed to mitigate and reduce future stress on City finances. The City, under the leadership of its City Manager, is working to successfully implement 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. Family Dollar broke ground and started construction and should be completed by the end of the year. A purchase agreement has been reached for the Eastern Washtenaw Recreation Center and Herman Kittle, a residential developer. Staff will be working 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 Michigan Natural Resources Fund for the Linear Park and Trail, anticipating construction in 2015. The City has received numerous grants to improve its road network. The biggest of these grants was for \$1.9 million to improve Prospect Street from I-94 to Holmes Road. The City anticipates completely reconstructing Adams Street in concrete between Pearl and Cross. The cost of this project is estimated to be approximately \$500,000.

The City, Downtown Development Association (DDA) and Eastern Leaders Group have continued work on building and façade grants for all the DDA districts, and are expected to continue into 2015. The Eastern Leaders Group and Eastern Michigan University (EMU) are also promoting the Live Ypsi program. 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 2015.

Building on the recent installation of LED lights along West Cross, the City has committed to retrofitting all of its street lights to LED lights. This project was completed in calendar year 2014 and expected to save the city \$120,000 per year in energy costs. These retrofits will help reduce overall street lighting expenses, and are part of the broad effort to reduce carbon emissions in the City of Ypsilanti. Also in 2014, the City retrofitted 431 light fixtures in and around City buildings.

The City continues to participate in Vantageport, 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.

**Major Initiatives in the Future**

The City adopted a new master plan in 2014 and is in the process of revising the zoning ordinance, with City Council approval anticipated by the end of 2014.

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.

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 Depot Town 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 from the firm of Rehmann Robson. I wish to express my appreciation and acknowledge those who assisted and contributed to the preparation of this report: Marilou Uy, Kimberly Jones, Rheagan Basabica and the interns from the Fiscal Services Department, Bonnie Wessler 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



Government Finance Officers Association

**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

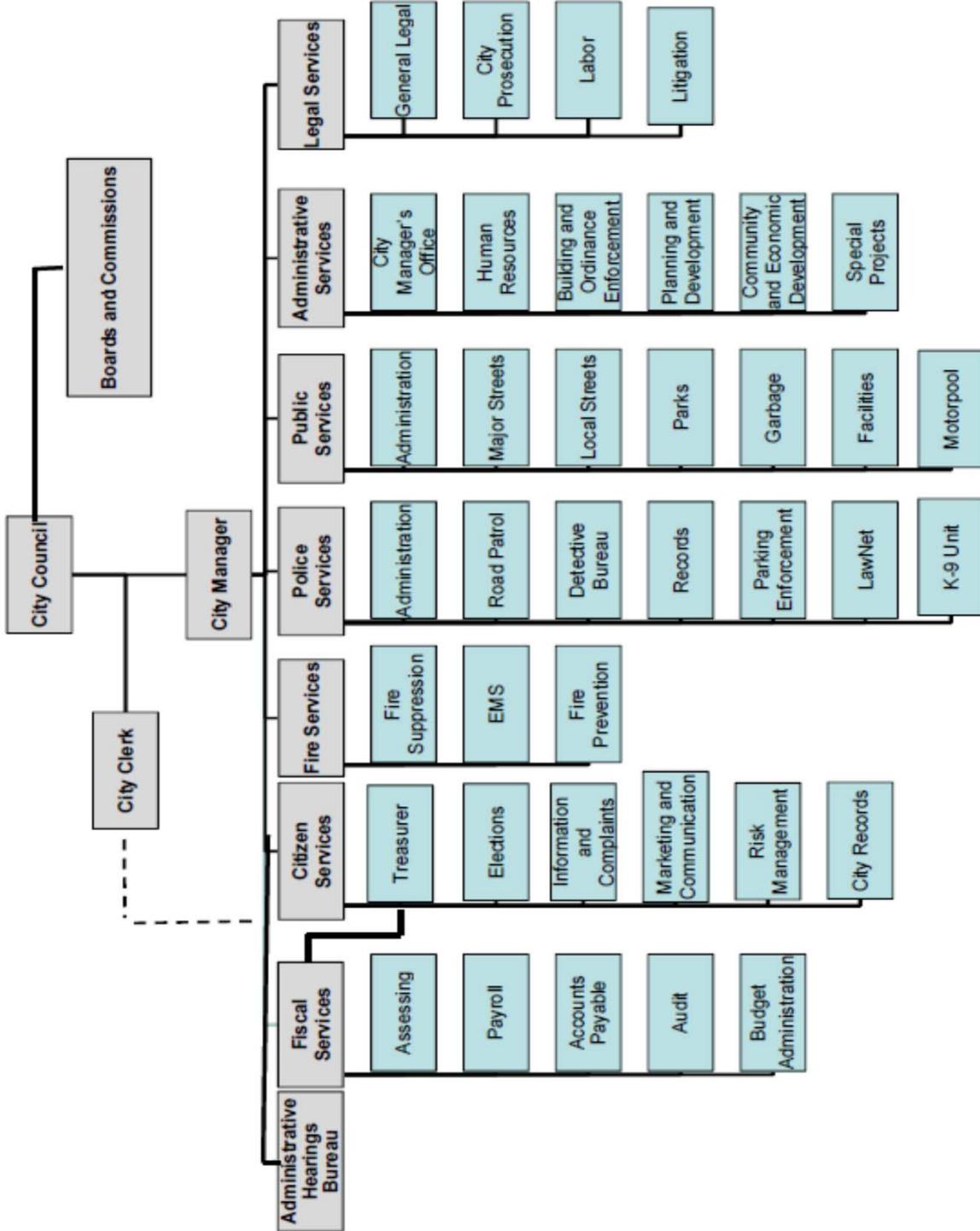
**June 30, 2013**

A handwritten signature in black ink, reading "Jeffrey R. Egan".

Executive Director/CEO

# CITY OF YPSILANTI, MICHIGAN

## Table of Organization



# CITY OF YPSILANTI, MICHIGAN

## ELECTED OFFICERS

### CITY COUNCIL

Paul Schreiber  
*Mayor*

Lois Richardson  
*Mayor Pro-Tem*

Susan Moeller  
Peter Murdock  
Ricky Jefferson

Daniel Vogt  
Brian Robb

### Administration - Appointed Officials and Senior Management

Ralph Lange  
*City Manager*

Frances McMullan  
*City Clerk*

Marilou Uy  
*Director of Fiscal Services*

Max Anthouard  
*Fire Chief*

Stan Kirton  
*Director of Public Services*

Tony DeGiusti  
*Police Chief*

Kimberly Teamer  
*City Treasurer*

Courtney Dugger  
*City Assessor*

## FINANCIAL SECTION

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Principals

Dale J. Abraham, CPA  
Michael T. Gaffney, CPA  
Steven R. Kirinovic, CPA  
Aaron M. Stevens, CPA  
Eric J. Glashouwer, CPA  
Alan D. Panter, CPA  
William I. Tucker IV, CPA



2601 Cambridge Court  
Suite 201  
Auburn Hills, MI 48326  
(248) 844-2550  
FAX: (248) 844-2551

INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statements**

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 (the City), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ypsilanti, Michigan, as of June 30, 2014, and the respective changes in financial position, budgetary comparison for the General Fund, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Change in Accounting Principles**

During the year the City implemented GASB Statement No. 67, *Financial Reporting for Pension Plans*. As a result, the pension trust fund now includes substantially different note disclosures and required supplementary information. Our opinions are not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison information for Special Revenue funds, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the budgetary comparison information for Special Revenue funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the budgetary comparison information for Special Revenue funds are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2014, 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, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Abraham & Gaffney, P.C.*

ABRAHAM & GAFFNEY, P.C.  
Certified Public Accountants

December 8, 2014

## 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, 2014. 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, 2014.

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$15,516,244 (net positions). This amount is net of a deficit of \$7,848,551 in unrestricted net position. The City has no business-type activities and therefore reports only governmental activities in its government-wide financial statements.
- The government's total net position decreased by \$1,206,290.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$15,834,333, a decrease of \$1,694,182 in comparison with the prior year. Approximately 18.7 percent of this total amount, or \$2,968,262 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 \$2,968,262 or 20.3% of total general fund expenditures and other financing uses.
- The City total bonded debt decreased by \$2,491,815 during the current year. There was one refunding of revenue bonds during the year that will reduce debt service by \$753,109 and a net present value savings of \$669,849.

### 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 position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. 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 position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., 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 30 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, 2006 general obligation debt service fund and 2013 revenue refunding bond capital projects fund, which are considered to be major funds. Data from the other 27 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.

**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.

# CITY OF YPSILANTI, MICHIGAN

## Management's Discussion and Analysis

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 \$15,516,244 at the close of the most recent fiscal year as shown in the following table (which shows, in a condensed format, the net position as of fiscal year end 2014 and compared to the prior fiscal year):

	Net Position	
	Governmental Activities	
	2014	2013
<b>Assets</b>		
Current and other assets	\$ 48,532,253	\$ 51,560,599
Capital assets	<u>22,504,392</u>	<u>22,886,305</u>
<b>Total assets</b>	<u>71,036,645</u>	<u>74,446,904</u>
<b>Deferred outflow</b>	<u>66,566</u>	<u>83,208</u>
<b>Liabilities</b>		
Long-term liabilities outstanding	52,984,062	55,067,067
Other liabilities	<u>2,602,905</u>	<u>2,740,511</u>
<b>Total liabilities</b>	<u>55,586,967</u>	<u>57,807,578</u>
<b>Net position</b>		
Net investment in capital assets	16,524,392	15,636,305
Restricted	4,545,511	7,631,866
Unrestricted (deficit)	<u>(5,553,659)</u>	<u>(6,545,637)</u>
<b>Total net position</b>	<u>\$ 15,516,244</u>	<u>\$ 16,722,534</u>

# CITY OF YPSILANTI, MICHIGAN

## Management's Discussion and Analysis

By far the largest portion of the City's net position (106.5% or \$16,524,392) 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 (44.1% or \$6,840,403) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (a deficit of \$7,848,551) represents the extent to which accrual basis non-capital liabilities exceed assets after taking into account restrictions.

	Changes in Net Position	
	Governmental Activities	
	2014	2013
Revenue		
Program revenue:		
Charges for services	\$ 3,108,560	\$ 2,618,765
Operating grants and contributions	3,829,486	4,282,348
Capital grants and contributions	692,619	24,258
General revenue:		
Property taxes	10,656,453	10,309,164
Grants and contributions not restricted to specific programs	2,420,667	2,342,612
Other	341,590	(13,260)
<b>Total revenue</b>	<b>21,049,375</b>	<b>19,563,887</b>
Expenses		
General government	1,690,255	2,083,855
Public safety	8,878,722	7,908,177
Public works	5,542,347	4,067,582
Highways, streets and bridges	3,143,348	3,921,320
Culture and recreation	366,668	408,367
Community development	255,416	292,867
Public transportation	275,386	308,564
Interest on long-term debt	2,103,523	2,095,288
<b>Total expenses</b>	<b>22,255,665</b>	<b>21,086,020</b>
Special item		
Change in market value of land held for resale	-	(1,995,335)
<b>Change in net position</b>	<b>(1,206,290)</b>	<b>(3,517,468)</b>
Net position - beginning of year	16,722,534	20,240,002
<b>Net position - end of year</b>	<b>\$15,516,244</b>	<b>\$16,722,534</b>

The City's total net position decreased approximately 7.3% from the prior year. Much of the decrease is attributable to increased public safety and public works expense (\$970,545 and \$1,474,765, respectively) over the prior year because of new hires (some of which were through a new federal grant) and equipment and vehicle purchases.

# CITY OF YPSILANTI, MICHIGAN

## Management's Discussion and Analysis

### 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 \$15,834,333, a decrease of \$1,694,182 in comparison with the prior year. Approximately 18.7% of this total amount (or \$2,968,262) constitutes unassigned fund balance, which is available for spending at the government's discretion. Of the remainder, \$2,248,624 represents nonspendable fund balance, \$4,901,459 is restricted and \$5,715,988 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 \$7,948,365. Of this amount \$348,324 represents inventory, prepaid items and land held for resale rendering it nonspendable, and \$4,631,779 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; \$2,968,262 of the general fund's fund balance is unassigned, which represents 20.3% of total general fund expenditures and other financing uses. Overall, the fund balance of the general fund decreased by \$591,202 for the year, which was \$874,127 less of a decrease than budgeted.

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

- In total, general fund expenditures were \$826,064 under budget. This included significant amounts under budget for police (\$228,152), parks and recreation (\$212,550) and public building maintenance (\$84,424). The primary reasons for these departments finishing under budget were due to timing on certain projects.
- Compared to the prior year actuals, general fund revenue was up approximately \$1.2 million; about \$400,000 of this came from property taxes and \$1.0 was from increases in other revenues, primarily due to a one-time grant for the reconstruction of the community pool. Total actual expenditures compared to the prior year increased approximately \$1.7 million with most of the increases in public safety and public works for new hires and equipment purchases.

The 2006 general obligation fund had an ending fund balance of \$1,910,022, of which \$1,900,300 represents land held for resale (which is therefore reported as nonspendable).

### General Fund Budgetary Highlights

The difference between the original and final amended budget for expenditures was approximately \$1 million and was primarily for street lighting to replace old mercury vapor lights with energy efficient LED lights. Other differences between the original and final amended budget for revenues and expenditures were generally distributed across various captions/departments.

The City amended the budget to take into account various events occurring during the year. Revenue was \$130,782 less than the amended budget, primarily because other revenues were under budget by \$120,043 due to optimistic estimates for this line item.

Total expenditures were \$826,064 less than the amended budget as nearly all general fund departments spent less than budget and the three that exceeded budget were for minimal amounts.

# CITY OF YPSILANTI, MICHIGAN

## Management's Discussion and Analysis

### Capital Assets and Debt Administration

*Capital Assets.* At the end of 2014, the City had \$22,504,392 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	
	2014	2013
Land	\$ 1,373,105	\$ 760,443
Infrastructure	15,005,856	16,556,224
Buildings and improvements	4,451,215	3,748,543
Vehicles and equipment	1,563,748	1,758,794
Construction in progress	110,468	62,301
<b>Total</b>	<b>\$22,504,392</b>	<b>\$22,886,305</b>

Major capital asset events during the current fiscal year included:

- Reconstruction of community swimming pool (Rutherford Pool) for \$880,000.
- Purchase of equipment (tasers and other items) and vehicles (two police cars).
- Capitalization of land previously reported as being held for resale (i.e., the City will no longer sell certain parcels as they will be used for park land and/or green space).

Additional information on the City's capital assets can be found in the note 8.

*Long-term debt.* At the end of the current fiscal year, the City had total bonded debt outstanding of \$48,537,720. Of this amount, \$19,925,000 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	
	2014	2013
General obligation bonds	\$ 19,925,000	\$ 21,640,000
Revenue bonds	28,612,720	29,389,535
<b>Total</b>	<b>\$48,537,720</b>	<b>\$51,029,535</b>

Moody's credit rating on April 10, 2014 for senior lien revenue debt bonds outstanding changed from A1 to A2 and removed the negative outlook.

Standard & Poor's rating on April 11, 2014 for outstanding general obligation limited tax debts was changed from A to AA.

Additional information on the City's long-term debt can be found in note 12.

# CITY OF YPSILANTI, MICHIGAN

## Management's Discussion and Analysis

### Economic Factors and Next Year's Budgets and Rates

Revenues for all funds are budgeted to be \$576,467 lower than the current fiscal year amended budget. The City expects property taxes to increase by 0.87% net of the under \$40,000 taxable value of personal properties. The City continues to look for many options to reduce costs or increase revenues. Some of the things being considered are restructuring the police and fire personnel resulting in reduced overtime pay, dual fuel vehicle that will save fuel cost, a special assessment on the operational cost of street lighting, participate with Munirent to rent out and rent to neighboring city and township's specialized equipment, re-bid trash contract that increased the service and saved cost, conversion of municipal property to LED lightings, and efficient collection of parking tickets. The City continues to comply with the City, Village, and Township Revenue Sharing (CVTRS) program, previously EVIP, to receive full CVTRS payments. The City implemented again the Public Act 52 (SB #7) limiting employer's medical benefit cost by making employees pay 20% of the medical cost.

The City's spending budget for all funds for next fiscal year is \$967,510 less than the current year proposed budget, which includes the use of \$1,309,380 fund balance from the general fund for the Water Street bond payment; \$98,903 from the major streets fund to help finance the design engineering of Prospect road, Prospect bridge and Prospect - Michigan Avenue traffic safety, construction of E & W Cross Streetscape, and non-motorized improvement projects; \$90,046 from local streets fund to pay for traffic calming projects; \$692,500 fund balance from the capital improvement fund to pay for Fire Department's roof replacement, carport for Police Department, truck port for DPS, Freighthouse improvements, urgent road repairs on Cornell, Harriet, N, Huron River Drive, Prospect, Leforge, Adams and Grove Streets; and \$1,109,783 to finance equipment purchases, three dump trucks, two trucks, and bobcat attachment for DPS, one truck packer for environmental services, two police patrol cars.

The percent of general fund revenue used to fund essential services for fiscal year 2012, as required by the Michigan Legislature for budgeting fiscal 2014-15 replacement funding of personal property taxes, was 59.96 percent.

### Contacting the City's Management

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

## BASIC FINANCIAL STATEMENTS

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

# CITY OF YPSILANTI, MICHIGAN

## Statement of Net Position

June 30, 2014

	Primary Government	
	Governmental Activities	Component Units
<b>Assets</b>		
Cash and cash equivalents	\$ 15,533,099	\$ 766,201
Investments	3,478,195	-
Receivables	27,080,644	515
Prepaid items and other assets	2,336,307	356
Other noncurrent assets - other post-employment benefits asset	104,008	-
Capital assets not being depreciated	1,483,573	107,184
Capital assets being depreciated, net	21,020,819	2,027,787
<b>Total assets</b>	<b>71,036,645</b>	<b>2,902,043</b>
<b>Deferred outflows of resources</b>		
Deferred charge on refunding	66,566	-
<b>Liabilities</b>		
Accounts payable and accrued expenses	2,315,488	40,605
Due to other governments	70,113	84,389
Unearned revenue	217,304	21,500
Long-term liabilities:		
Due within one year	4,387,233	75,227
Due in more than one year	48,596,829	623,647
<b>Total liabilities</b>	<b>55,586,967</b>	<b>845,368</b>
<b>Net position</b>		
Net investment in capital assets	16,524,392	1,438,712
Restricted for:		
Highways and streets	1,782,292	-
Drug law enforcement	38,881	-
Public transportation	11,355	-
Debt service	774,039	-
Capital projects	1,938,944	-
Unrestricted (deficit)	(5,553,659)	617,963
<b>Total net position</b>	<b>\$ 15,516,244</b>	<b>\$ 2,056,675</b>

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

CITY OF YPSILANTI, MICHIGAN

Statement of Activities

For the Year Ended June 30, 2014

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	\$ 1,690,255	\$ 2,320,700	\$ 70,358	\$ 64,411	\$ 765,214
Public safety	8,878,722	786,308	100,654	15,546	(7,976,214)
Public works	5,542,347	-	-	-	(5,542,347)
Highways, streets and bridges	3,143,348	-	1,440,913	-	(1,702,435)
Culture and recreation	366,668	-	257	612,662	246,251
Community development	255,416	1,552	-	-	(253,864)
Public transportation	275,386	-	-	-	(275,386)
Interest on long-term debt	2,103,523	-	2,217,304	-	113,781
<b>Total primary government</b>	<b>\$ 22,255,665</b>	<b>\$ 3,108,560</b>	<b>\$ 3,829,486</b>	<b>\$ 692,619</b>	<b>\$ (14,625,000)</b>
Component units					
Community/economic development	\$ 417,795	\$ -	\$ 6,841	\$ -	\$ (410,954)

continued...

# CITY OF YPSILANTI, MICHIGAN

## Statement of Activities

For the Year Ended June 30, 2014

	Primary Government	
	Governmental Activities	Component Units
Changes in net position		
Net expense	\$ (14,625,000)	\$ (410,954)
General revenues:		
Property taxes	10,656,453	407,294
Grants and contributions not restricted to specific programs	2,420,667	7,207
Unrestricted investment earnings	341,590	3,462
Total general revenues	<u>13,418,710</u>	<u>417,963</u>
Change in net position	(1,206,290)	7,009
Net position, beginning of year	<u>16,722,534</u>	<u>2,049,666</u>
Net position, end of year	<u>\$ 15,516,244</u>	<u>\$ 2,056,675</u>

concluded.

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

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## FUND FINANCIAL STATEMENTS

# CITY OF YPSILANTI, MICHIGAN

## Balance Sheet Governmental Funds June 30, 2014

	General	2006 General Obligation	2013 Revenue Refunding Bonds	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 7,266,439	\$ 178,130	\$ 1,820,730	\$ 3,973,206	\$ 13,238,505
Investments	903,498	-	-	-	903,498
Accounts receivable	243,976	-	11,532	49,006	304,514
Land held for resale	38,644	1,900,300	-	-	1,938,944
Special assessments receivable	54,699	-	-	-	54,699
Due from other funds	-	-	-	102,122	102,122
Due from other governments	538,578	-	-	185,249	723,827
Prepaid items	156,049	-	-	-	156,049
Inventory	153,631	-	-	-	153,631
<b>Total assets</b>	<b>\$ 9,355,514</b>	<b>\$ 2,078,430</b>	<b>\$ 1,832,262</b>	<b>\$ 4,309,583</b>	<b>\$ 17,575,789</b>
<b>Liabilities</b>					
Accounts payable	\$ 106,041	\$ -	\$ -	\$ 58,805	\$ 164,846
Accrued liabilities	652,629	-	-	20,731	673,360
Due to other funds	102,122	-	-	-	102,122
Due to other governments	68,426	-	-	1,687	70,113
Tax refunds payable	222,569	-	-	72,176	294,745
Unearned revenue	36,396	168,408	-	12,500	217,304
<b>Total liabilities</b>	<b>1,188,183</b>	<b>168,408</b>	<b>-</b>	<b>165,899</b>	<b>1,522,490</b>
<b>Deferred inflows of resources</b>					
Unavailable revenue	218,966	-	-	-	218,966
<b>Fund balances</b>					
Nonspendable:					
Prepaid items	156,049	-	-	-	156,049
Inventory	153,631	-	-	-	153,631
Land held for resale	38,644	1,900,300	-	-	1,938,944
Restricted for:					
Major and local streets	-	-	-	1,782,292	1,782,292
Drug law enforcement	-	-	-	38,881	38,881
Public transportation	-	-	-	11,355	11,355
Debt service	-	9,722	-	1,226,947	1,236,669
Committed for:					
Various purposes (Note 13)	4,631,779	-	-	-	4,631,779
Capital projects	-	-	-	1,084,209	1,084,209
Unassigned	2,968,262	-	1,832,262	-	4,800,524
<b>Total fund balances</b>	<b>7,948,365</b>	<b>1,910,022</b>	<b>1,832,262</b>	<b>4,143,684</b>	<b>15,834,333</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 9,355,514</b>	<b>\$ 2,078,430</b>	<b>\$ 1,832,262</b>	<b>\$ 4,309,583</b>	<b>\$ 17,575,789</b>

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

# CITY OF YPSILANTI, MICHIGAN

## Reconciliation

Fund Balances for Governmental Funds  
to Net Position of Governmental Activities  
June 30, 2014

Fund balances - total governmental funds	\$ 15,834,333
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets	50,519,398
Accumulated depreciation	(29,381,824)
Special assessment and sale of property receivables are expected to be collected over several years but are not available to pay for current year expenditures.	
	218,966
For a bond refunding, the difference between the reacquisition price and the value of the refunded debt is capitalized and amortized over the shorter of the remaining years on the refunded or refunding bonds.	
Deferred charge on refunding	66,566
An internal service fund is used by management to charge the costs of certain equipment usage, insurance and benefits to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	
Net position of governmental activities accounted for in internal service funds	5,635,760
Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Other noncurrent assets - other postemployment benefits	104,008
Bonds and purchase agreements payable	(51,628,070)
Bond premium	(402,709)
Leases receivable from joint venture entity for debt-financed property	25,965,729
Accrued interest on bonds payable	(462,630)
Compensated absences	(953,283)
Net position of governmental activities	<u>\$ 15,516,244</u>

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

CITY OF YPSILANTI, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2014

	General	2006 General Obligation	2013 Revenue Refunding Bonds	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes and special assessments	\$ 8,218,060	\$ -	\$ -	\$ 2,438,393	\$ 10,656,453
Licenses and permits	590,784	-	-	58,097	648,881
Intergovernmental	2,582,605	-	156,971	4,111,562	6,851,138
Charges for services	417,906	-	-	-	417,906
Fines and forfeits	414,468	-	-	-	414,468
Investment earnings	150,439	-	11,421	20,806	182,666
Other revenues	1,604,527	-	-	106,416	1,710,943
<b>Total revenues</b>	<b>13,978,789</b>	<b>-</b>	<b>168,392</b>	<b>6,735,274</b>	<b>20,882,455</b>
<b>Expenditures</b>					
<b>Current:</b>					
General government	2,022,813	-	-	265,162	2,287,975
Public safety	7,491,496	-	-	315,132	7,806,628
Public works	1,271,237	681,971	-	1,644,670	3,597,878
Refuse collection	-	-	-	1,017,678	1,017,678
Highways, streets and bridges	-	-	-	1,476,912	1,476,912
Parks and recreation	1,136,746	-	-	-	1,136,746
Community development	23,374	-	-	9,074	32,448
Public transportation	-	-	-	274,846	274,846
Unallocated employee benefits	928,133	-	-	-	928,133
Tax tribunal refunds	8,794	-	-	3,918	12,712
<b>Debt service:</b>					
Principal	-	445,000	-	3,090,000	3,535,000
Interest and fiscal charges	-	897,228	303,892	956,800	2,157,920
<b>Total expenditures</b>	<b>12,882,593</b>	<b>2,024,199</b>	<b>303,892</b>	<b>9,054,192</b>	<b>24,264,876</b>
<b>Revenues over (under) expenditures</b>	<b>1,096,196</b>	<b>(2,024,199)</b>	<b>(135,500)</b>	<b>(2,318,918)</b>	<b>(3,382,421)</b>
<b>Other financing sources (uses)</b>					
Issuance of refunding bonds	-	-	7,490,000	1,503,185	8,993,185
Payment to refunding bond escrow agent	-	-	(7,950,000)	-	(7,950,000)
Premium on refunding bonds	-	-	433,687	-	433,687
Transfers in	21,822	1,341,986	1,994,075	1,570,783	4,928,666
Transfers out	(1,709,220)	-	-	(3,008,079)	(4,717,299)
<b>Total other financing sources (uses)</b>	<b>(1,687,398)</b>	<b>1,341,986</b>	<b>1,967,762</b>	<b>65,889</b>	<b>1,688,239</b>
<b>Net changes in fund balances</b>	<b>(591,202)</b>	<b>(682,213)</b>	<b>1,832,262</b>	<b>(2,253,029)</b>	<b>(1,694,182)</b>
<b>Fund balances, beginning of year</b>	<b>8,539,567</b>	<b>2,592,235</b>	<b>-</b>	<b>6,396,713</b>	<b>17,528,515</b>
<b>Fund balances, end of year</b>	<b>\$ 7,948,365</b>	<b>\$ 1,910,022</b>	<b>\$ 1,832,262</b>	<b>\$ 4,143,684</b>	<b>\$ 15,834,333</b>

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 Position of Governmental Activities  
For the Year Ended June 30, 2014

Net change in fund balances - total governmental funds \$ (1,694,182)

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	1,841,305
Depreciation expense	(2,642,752)
Capital contributions	612,662

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 position.  
Repayment of bond principal is an expenditure in the governmental funds, but the  
repayment reduces long-term liabilities in the statement of net position.

Refunding and revenue bond proceeds	(8,993,185)
Payment to refunding bond escrow agent	7,950,000
Premium received on refunding and revenue bonds	(433,687)
Principal payments on long-term liabilities	3,535,000
Change in leases receivable for debt-financed property	(604,924)

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	(829,189)
Investment income in government internal service funds	162,037
Gain on sale of capital assets in government internal service funds	136,106
Transfers out in governmental internal service funds	(211,367)

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	(82,409)
Change in accrued interest payable on bonds	40,060
Change in the accrual for compensated absences	(6,101)
Amortization of bond premium	30,978
Amortization of deferred charge on refunding	(16,642)

Change in net position of governmental activities \$ (1,206,290)

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, 2014

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes and special assessments	\$ 8,125,017	\$ 8,237,602	\$ 8,218,060	\$ (19,542)
Licenses and permits	579,492	613,207	590,784	(22,423)
Intergovernmental	2,495,742	2,600,307	2,582,605	(17,702)
Charges for services	451,000	433,840	417,906	(15,934)
Fines and forfeits	476,837	385,000	414,468	29,468
Investment earnings	120,045	115,045	150,439	35,394
Other revenues	1,444,985	1,724,570	1,604,527	(120,043)
<b>Total revenues</b>	<b>13,693,118</b>	<b>14,109,571</b>	<b>13,978,789</b>	<b>(130,782)</b>
<b>Expenditures</b>				
General government:				
City council	99,243	98,080	94,611	(3,469)
City manager	252,606	254,878	240,701	(14,177)
Community services	8,889	8,809	4,138	(4,671)
Elections	61,612	57,868	28,881	(28,987)
Accounting	280,017	315,231	295,741	(19,490)
Assessing	90,791	73,413	72,739	(674)
General legal	52,140	52,140	52,140	-
Ordinance prosecution	105,000	105,000	105,000	-
Litigation and appeals	115,000	125,000	111,468	(13,532)
Personnel legal	25,000	45,000	38,469	(6,531)
City clerk	153,556	154,764	160,113	5,349
Human resources	140,893	204,195	176,334	(27,861)
Treasurer	143,731	133,469	134,714	1,245
Public building maintenance	299,312	360,146	275,722	(84,424)
Planning and development	263,744	294,859	232,042	(62,817)
<b>Total general government</b>	<b>2,091,534</b>	<b>2,282,852</b>	<b>2,022,813</b>	<b>(260,039)</b>
Public safety:				
Police	4,860,494	4,581,912	4,353,760	(228,152)
Fire	2,543,024	2,734,179	2,697,951	(36,228)
Ordinance enforcement	169,352	208,374	199,787	(8,587)
Building inspection	223,940	248,068	239,998	(8,070)
<b>Total public safety</b>	<b>7,796,810</b>	<b>7,772,533</b>	<b>7,491,496</b>	<b>(281,037)</b>

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, 2014

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Expenditures (Concluded)				
Public works:				
Public works department	\$ 175,962	\$ 241,620	\$ 201,988	\$ (39,632)
Street lighting	-	1,066,517	1,069,249	2,732
Total public works	175,962	1,308,137	1,271,237	(36,900)
Parks and recreation	1,326,884	1,349,296	1,136,746	(212,550)
Community development	15,983	25,153	23,374	(1,779)
Unallocated employee benefits	849,656	953,686	928,133	(25,553)
Tax tribunal refunds	20,000	17,000	8,794	(8,206)
Total expenditures	12,276,829	13,708,657	12,882,593	(826,064)
Revenues over expenditures	1,416,289	400,914	1,096,196	695,282
Other financing sources (uses)				
Transfers in	(15,300)	(23,608)	21,822	45,430
Transfers out	(1,768,279)	(1,842,635)	(1,709,220)	133,415
Total other financing (uses)	(1,783,579)	(1,866,243)	(1,687,398)	178,845
Net change in fund balance	(367,290)	(1,465,329)	(591,202)	874,127
Fund balance, beginning of year	8,539,567	8,539,567	8,539,567	-
Fund balance, end of year	\$ 8,172,277	\$ 7,074,238	\$ 7,948,365	\$ 874,127

concluded.

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

# CITY OF YPSILANTI, MICHIGAN

## Statement of Net Position

Proprietary Funds - Internal Service Funds

June 30, 2014

	Total
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 3,373,267
Investments	1,496,024
Accounts receivable	31,875
Inventory	30,918
Prepaid items	56,765
	<hr/>
Total current assets	4,988,849
Noncurrent assets - capital assets, net	<hr/> 1,366,818
Total assets	<hr/> 6,355,667
<b>Liabilities</b>	
Current liabilities:	
Accounts payable and accrued liabilities	53,413
Current portion of claims payable	266,600
	<hr/>
Total current liabilities	320,013
Noncurrent liabilities - claims payable, net	<hr/> 399,894
Total liabilities	<hr/> 719,907
<b>Net position</b>	
Investment in capital assets	1,366,818
Unrestricted	4,268,942
	<hr/>
Total net position	<hr/> <hr/> \$ 5,635,760

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

# CITY OF YPSILANTI, MICHIGAN

## Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds - Internal Service Funds

For the Year Ended June 30, 2014

	Total
Operating revenues	
Charges for services	\$ 2,025,647
Operating expenses	
Salaries, taxes and benefits	195,114
Gas, oil and fuel	169,253
Depreciation	390,017
Operation and maintenance	150,868
Contractual services and fees	239,582
Insurance and other	58,319
Benefits and claims	1,651,683
Total operating expenses	2,854,836
Operating loss	(829,189)
Nonoperating revenues	
Investment income	162,037
Gain on sale of equipment	136,106
Total nonoperating revenues	298,143
Loss before transfers	(531,046)
Transfers out	(211,367)
Change in net position	(742,413)
Net position, beginning of year	6,378,173
Net position, end of year	\$ 5,635,760

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, 2014

	Total
Cash flows from operating activities	
Cash received from interfund services	\$ 2,000,815
Cash payments to employees	(195,114)
Cash payments for claims	(1,394,053)
Cash payments to suppliers for goods and services	<u>(585,323)</u>
Net cash used in operating activities	<u>(173,675)</u>
Cash flows from noncapital financing activities	
Transfer to other funds	<u>(211,367)</u>
Cash flows from capital and related financing activities	
Purchase of capital assets	(196,889)
Proceeds from sale of capital assets	<u>136,106</u>
Net cash used in capital and related financing activities	<u>(60,783)</u>
Cash flows from investing activities	
Redemption of investments	185,350
Investment income	<u>162,037</u>
Net cash provided by investing activities	<u>347,387</u>
Change in cash and cash equivalents	(98,438)
Cash and cash equivalents, beginning of year	<u>3,471,705</u>
Cash and cash equivalents, end of year	<u>\$ 3,373,267</u>

continued...

# CITY OF YPSILANTI, MICHIGAN

## Statement of Cash Flows

Proprietary Funds - Internal Service Funds  
For the Year Ended June 30, 2014

	Total
Reconciliation of operating loss to net cash used in operating activities	
Operating loss	\$ (829,189)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	390,017
Changes in:	
Accounts receivable	(24,832)
Inventory	3,406
Prepaid items	3,352
Accounts payable and accrued liabilities	25,970
Claims payable	257,601
Net cash used in operating activities	<u>\$ (173,675)</u>
	concluded.

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

# CITY OF YPSILANTI, MICHIGAN

## Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2014

	Police and Fire Retirement System Trust	Current Tax Agency Fund
<b>Assets</b>		
Cash and cash equivalents	\$ 1,722,701	\$ -
Investments:		
U.S. agencies	1,874,591	-
Corporate bonds	4,895,579	-
Domestic equities	15,495,617	-
International equities	1,362,395	-
Mutual funds	5,523,432	-
Exchange traded products	277,182	-
Real estate investment trusts	544,836	-
Money market accounts	539,383	-
Accrued interest receivable	53	-
<b>Total assets</b>	<u>32,235,769</u>	<u>\$ -</u>
<b>Liabilities</b>		
Undistributed receipts	-	\$ -
Accounts payable	638,532	-
<b>Total liabilities</b>	<u>638,532</u>	<u>\$ -</u>
<b>Net position</b>		
Restricted for pension benefits	<u>\$ 31,597,237</u>	

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

## CITY OF YPSILANTI, MICHIGAN

### Statement of Changes in Fiduciary Net Position

Fiduciary Funds - Police and Fire Retirement System Trust Fund  
For the Year Ended June 30, 2014

#### Additions

##### Investment income:

Net appreciation in fair value of investments	\$ 4,362,837
Interest and dividends	728,007
Less investment management fees	<u>(108,610)</u>

Net investment income 4,982,234

##### Contributions:

City of Ypsilanti	1,358,167
Participants	<u>275,422</u>

Total contributions 1,633,589

Total additions 6,615,823

#### Deductions

Participant benefits	3,078,288
Administrative expenses	<u>60,012</u>

Total deductions 3,138,300

Net change to net position restricted for pension benefits 3,477,523

Net position restricted for pension benefits, beginning of year 28,119,714

Net position restricted for pension benefits, end of year \$ 31,597,237

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

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## COMPONENT UNIT FINANCIAL STATEMENTS

# CITY OF YPSILANTI, MICHIGAN

## Combining Statement of Net Position

Component Units

June 30, 2014

	Downtown Development Authority	Depot Town Downtown Development Authority	Economic Development Corporation	Totals
<b>Assets</b>				
Cash and cash equivalents	\$ 246,930	\$ 311,607	\$ 207,664	\$ 766,201
Accounts receivable	-	515	-	515
Prepays	-	-	356	356
Capital assets not being depreciated	-	53,984	53,200	107,184
Capital assets being depreciated, net	1,759,030	268,757	-	2,027,787
<b>Total assets</b>	<b>2,005,960</b>	<b>634,863</b>	<b>261,220</b>	<b>2,902,043</b>
<b>Liabilities</b>				
Accounts payable	15,717	12,483	-	28,200
Accrued liabilities	11,744	661	-	12,405
Due to other governments	365	11,860	72,164	84,389
Unearned revenues	11,500	10,000	-	21,500
Long-term liabilities:				
Due within one year	55,952	19,275	-	75,227
Due in more than one year	616,663	6,984	-	623,647
<b>Total liabilities</b>	<b>711,941</b>	<b>61,263</b>	<b>72,164</b>	<b>845,368</b>
<b>Net position</b>				
Investment in capital assets	1,089,030	296,482	53,200	1,438,712
Unrestricted	204,989	277,118	135,856	617,963
<b>Total net position</b>	<b>\$ 1,294,019</b>	<b>\$ 573,600</b>	<b>\$ 189,056</b>	<b>\$ 2,056,675</b>

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, 2014

	Downtown Development Authority	Depot Town Downtown Development Authority	Economic Development Corporation	Totals
Expenses				
Community / economic development	\$ 341,286	\$ 75,261	\$ 1,248	\$ 417,795
Program revenues				
Operating grants and contributions	-	6,841	-	6,841
Net program expense	(341,286)	(68,420)	(1,248)	(410,954)
General revenues				
Property taxes	307,726	99,568	-	407,294
Other revenue	7,007	200	-	7,207
Unrestricted investment earnings	1,317	1,223	922	3,462
Total general revenues	316,050	100,991	922	417,963
Change in net position	(25,236)	32,571	(326)	7,009
Net position, beginning of year	1,319,255	541,029	189,382	2,049,666
Net position, end of year	\$ 1,294,019	\$ 573,600	\$ 189,056	\$ 2,056,675

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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# 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

**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; the BRA had no financial activity for the current year.

# 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 position 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.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

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

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

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

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 *2006 general obligation capital projects fund* accounts for activity related to the purchase and development of various properties located within the City. Revenues come from various grants and proceeds from sale of land.

The *2013 revenue refunding bond capital projects fund* accounts for activity related to the refunding of certain revenue bonds and new monies for certain capital projects.

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.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

*Internal service funds* are proprietary funds used to account for major machinery and equipment purchases and maintenance, retiree health care, 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.

#### *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.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### *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, when incurred, 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

### *Deferred Outflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

### *Compensated Absences*

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

### *Long-term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts 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.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

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.

### *Deferred Inflows of Resources*

In addition to liabilities, the statement of financial position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents revenue that applies to one or more future periods and so will not be recognized as an inflow of resources until that time. The governmental funds report unavailable revenues, which arise only under a modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

### *Fund Balances*

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.

## 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.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

Budgetary control is exercised at the fund level although the budget is approved 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, 2014, the government incurred expenditures in excess of the amounts appropriated at the legal level of budgetary control as follow:

	Final Budget	Actual	Over Budget
Nonmajor special revenue funds			
Garbage and rubbish collection fund	\$ 1,014,160	\$ 1,019,607	\$ (5,447)

### 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	\$ 229,716
Less related expenditures:	
Direct costs	238,574
Estimated indirect costs	<u>33,683</u>
Current year shortfall	(42,541)
Cumulative shortfall, beginning of year	<u>(848,405)</u>
Cumulative shortfall, end of year	<u>\$ (890,946)</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, 2014:

	Primary Governments	Component Units	Total
<b>Statement of net position</b>			
Cash and cash equivalents	\$ 15,533,099	\$ 766,201	\$ 16,299,300
Investments	3,478,195	-	3,478,195
<b>Statement of fiduciary net position</b>			
Cash and cash equivalents:			
Pension trust fund	1,722,701	-	1,722,701
Investments - pension trust fund	30,513,015	-	30,513,015
	<u>\$ 51,247,010</u>	<u>\$ 766,201</u>	<u>\$ 52,013,211</u>
<b>Deposits and investments:</b>			
Bank deposits (checking, savings and certificates of deposit)			\$ 18,014,026
Investments in securities, mutual funds and similar vehicles:			
City investment pool			3,478,195
Pension trust fund			30,513,015
Cash on hand			<u>7,975</u>
<b>Total</b>			<u><u>\$ 52,013,211</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, 2014, \$17,579,612 of the City’s total bank balance of \$18,829,612 (total book balance was \$18,014,026) 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 \$3,478,195 as of June 30, 2014 consisted of amounts held in a Securities and Exchange Commission registered external local government investment pool (\$1,078,673) and amounts held in securities of U.S. agencies (\$2,399,522). 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, 2014, 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, 2014, 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, 2014, the investment portfolio of the City was concentrated 28.6% in securities of the Federal National Mortgage Association and 39.7% in securities of the Federal Home Loan Mortgage Corporation. 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, 2014, 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, 2014:

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

U.S. agencies	\$ 1,874,591
Corporate bonds	4,895,579
Domestic equities	15,495,617
International equities	1,362,395
Mutual funds	5,523,432
Exchange traded products	277,182
Domestic real estate investment trusts	544,836
Money market accounts	<u>539,383</u>
Total investments	<u>\$ 30,513,015</u>

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

*Credit Risk.* As of June 30, 2014, 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:

Aa3	\$	330,775
A1		629,914
A2		1,167,979
A3		219,602
Baa1		915,273
Baa2		1,404,780
Baa3		227,256
Totals	\$	<u>4,895,579</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, 2014, the System did not have any holdings in any one issue greater than 5% of the total investment portfolio.

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

*Interest Rate Risk.* As of June 30, 2014, maturities of the System's debt securities were as follows:

	Fair Value	Investment Maturities (fair value by years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. agencies	\$ 1,874,591	\$ 123,067	\$ 5,320	\$ -	\$ 1,746,204
Corporate bonds	4,895,579	529,189	1,393,562	2,062,130	910,698
	<u>\$ 6,770,170</u>	<u>\$ 652,256</u>	<u>\$ 1,398,882</u>	<u>\$ 2,062,130</u>	<u>\$ 2,656,902</u>

Of the above corporate bonds, \$625,004 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.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

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

Investment / Country	Currency	Fair value (U.S. dollars)
<b>International equities</b>		
Ireland	European euro	\$ 294,827
Great Britain	British pound	151,264
Netherlands	European euro	231,582
Netherlands Antilles	Netherlands Antillean guilder	322,593
Taiwan	Taiwan dollar	205,879
Canada	Canadian dollar	<u>156,250</u>
<b>Total</b>		<u><u>\$ 1,362,395</u></u>

In addition to the above, the System's holdings in mutual funds are primarily composed of underlying investments in international equities (approximately 70% of total mutual fund holdings of \$5,523,432), 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.

## 7. RECEIVABLES

Receivables in the governmental activities are 95.9% leases (approximately 7.0% of which will be collected in one year), 2.7% due from other governments and 1.4% other receivables.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### 8. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets not being depreciated:				
Land	\$ 760,443	\$ 612,662	\$ -	\$ 1,373,105
Construction in progress	62,301	891,292	(843,125)	110,468
	<u>822,744</u>	<u>1,503,954</u>	<u>(843,125)</u>	<u>1,483,573</u>
Capital assets being depreciated:				
Infrastructure	39,090,582	843,125	-	39,933,707
Buildings and improvements	6,770,368	887,115	-	7,657,483
Vehicles and equipment	7,759,513	259,788	(761,707)	7,257,594
	<u>53,620,463</u>	<u>1,990,028</u>	<u>(761,707)</u>	<u>54,848,784</u>
Less accumulated depreciation for:				
Infrastructure	22,534,358	2,393,493	-	24,927,851
Buildings and improvements	3,021,825	184,443	-	3,206,268
Vehicles and equipment	6,000,719	454,834	(761,707)	5,693,846
	<u>31,556,902</u>	<u>3,032,770</u>	<u>(761,707)</u>	<u>33,827,965</u>
Total capital assets being depreciated, net	<u>22,063,561</u>	<u>(1,042,742)</u>	<u>-</u>	<u>21,020,819</u>
Governmental activities capital assets, net	<u>\$ 22,886,305</u>	<u>\$ 461,212</u>	<u>\$ (843,125)</u>	<u>\$ 22,504,392</u>

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

<b>Governmental activities</b>	
General government	\$ 53,983
Public safety	94,632
Public works	41,228
Highways, streets and bridges	2,377,340
Culture and recreation	75,570
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>390,017</u>
Total depreciation expense - governmental activities	<u>\$ 3,032,770</u>

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Component units</b>				
Capital assets not being depreciated:				
Land	\$ 53,200	\$ -	\$ -	\$ 53,200
Construction in progress	-	53,984	-	53,984
	<u>53,200</u>	<u>53,984</u>	<u>-</u>	<u>107,184</u>
Capital assets being depreciated -				
Buildings and improvements	3,639,052	-	-	3,639,052
Less accumulated depreciation for -				
Buildings and improvements	<u>1,486,797</u>	<u>124,468</u>	<u>-</u>	<u>1,611,265</u>
Total capital assets being depreciated, net	<u>2,152,255</u>	<u>(124,468)</u>	<u>-</u>	<u>2,027,787</u>
Component units capital assets, net	<u>\$ 2,205,455</u>	<u>\$ (70,484)</u>	<u>\$ -</u>	<u>\$ 2,134,971</u>

## 9. PAYABLES

Payables in the governmental activities are 29.1% accrued liabilities, 12.7% property tax refunds, 20.0% interest, 28.8% claims, and 9.4% vendors.

## 10. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

	Due from Other Funds	Due To Other Funds
General fund	\$ -	\$ 102,122
Nonmajor governmental funds	<u>102,122</u>	<u>-</u>
	<u>\$ 102,122</u>	<u>\$ 102,122</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 were transfers between nonmajor governmental funds (i.e., debt service and capital projects funds) related to a bond refunding transaction that affected five prior bond issues.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

Transfers In	Transfers Out			Totals
	General Fund	Nonmajor Governmental Funds	Internal Service Funds	
General fund	\$ -	21,822	\$ -	\$ 21,822
2006 general obligation fund	1,341,986	-	-	1,341,986
2013 revenue refunding fund	-	1,994,075	-	1,994,075
Nonmajor governmental funds	367,234	992,182	211,367	1,570,783
	<u>\$ 1,709,220</u>	<u>\$ 3,008,079</u>	<u>\$ 211,367</u>	<u>\$ 4,928,666</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 2013. 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 approximately \$230,000 dollars. The City is vigorously defending all such litigation.

### 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.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

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	\$ 2,605,000	\$ -	\$ (630,000)	\$ 1,975,000	\$ 645,000
2002 capital improvements	165,000	-	(30,000)	135,000	30,000
2006 property remediation	14,730,000	-	(445,000)	14,285,000	505,000
2013 refunding bonds	4,140,000	-	(610,000)	3,530,000	620,000
	<u>\$ 21,640,000</u>	<u>\$ -</u>	<u>\$ (1,715,000)</u>	<u>\$ 19,925,000</u>	<u>\$ 1,800,000</u>

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

	Principal	Interest
2015	\$ 1,800,000	\$ 957,348
2016	1,860,000	903,228
2017	1,915,000	846,756
2018	1,450,000	794,455
2019	1,455,000	748,141
2020-2024	3,805,000	3,090,278
2025-2029	5,120,000	1,533,864
2030-2031	2,520,000	236,530
	<u>\$ 19,925,000</u>	<u>\$ 9,110,600</u>

*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 \$52,730,000. Revenue bonds outstanding at year-end are as follows:

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2001 Water/Sewer	\$ 870,000	\$ -	\$ (870,000)	\$ -	\$ -
2002-A Water/Sewer	1,000,000	-	(1,000,000)	-	-
2002-B Water/Sewer (DWRf)	255,000	-	(25,000)	230,000	25,000
2002-C Water/Sewer	3,255,000	-	(3,255,000)	-	-
2003-A Water/Sewer	1,015,000	-	(510,000)	505,000	505,000
2003-B Water/Sewer	1,240,000	-	(1,240,000)	-	-
2003-C Water/Sewer (DWRf)	480,000	-	(40,000)	440,000	40,000
2003-D Water/Sewer (DWRf)	3,235,000	-	(260,000)	2,975,000	265,000
2004-A Water/Sewer	2,200,000	-	(2,200,000)	-	-
2004-B Water/Sewer (DWRf)	4,115,000	-	(305,000)	3,810,000	310,000
2006 Water/Sewer Refunding	9,770,000	-	(25,000)	9,745,000	25,000
2007 Water/Sewer (DWRf)	238,702	-	(15,000)	223,702	15,000
2008 Water/Sewer (DWRf)	359,253	-	(20,000)	339,253	20,000
2009 Water/Sewer (DWRf)	124,029	-	(5,000)	119,029	5,000
2012 Water/Sewer (DWRf)	1,232,551	1,503,185	-	2,735,736	115,000
2013 Water/Sewer Refunding	-	7,490,000	-	7,490,000	540,000
	<u>\$ 29,389,535</u>	<u>\$ 8,993,185</u>	<u>\$ (9,770,000)</u>	<u>\$ 28,612,720</u>	<u>\$ 1,865,000</u>

DWRf = Drinking Water Revolving Fund (State of Michigan)

The City issued \$7,490,000 in revenue refunding bonds during the year to refund \$7,950,000 in bonds (the 2001, 2002-A, 2002-C, 2003-B and 2004-A issues) in order to reduce debt service by \$753,109 and a net present value savings of \$669,849. The refunded bonds were called on September 1, 2013.

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

	Principal	Interest
2015	\$ 1,865,000	\$ 915,970
2016	1,850,000	868,998
2017	1,900,000	817,504
2018	1,945,000	730,189
2019	2,065,000	688,501
2020-2024	11,380,000	2,354,639
2025-2029	6,906,984	593,894
2030-2034	700,736	36,459
	<u>\$ 28,612,720</u>	<u>\$ 7,006,154</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
2015	\$ -	\$ -
2016	150,000	30,000
2017	125,000	54,000
2018	130,000	49,000
2019	140,000	43,800
2020-2024	780,000	131,000
2025-2027	1,425,350	7,000
	<u>2,750,350</u>	<u>314,800</u>
Biltmore agreement	<u>340,000</u>	<u>-</u>
	<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.

### Component Units

Component unit general obligation bonds outstanding at June 30, 2014 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Downtown development:					
1994	\$ 80,000	\$ -	\$ (80,000)	\$ -	\$ -
2004-A	720,000	-	(50,000)	670,000	55,000
	<u>\$ 800,000</u>	<u>\$ -</u>	<u>\$ (130,000)</u>	<u>\$ 670,000</u>	<u>\$ 55,000</u>

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

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

	Principal	Interest
2015	\$ 55,000	\$ 28,948
2016	55,000	26,858
2017	60,000	24,685
2018	60,000	22,255
2019	65,000	19,765
2020-2024	<u>375,000</u>	<u>52,745</u>
	<u>\$ 670,000</u>	<u>\$ 175,256</u>

Component unit revenue bonds outstanding at June 30, 2014 are as follows:

	Beginning Balance	Reductions	Ending Balance	Due Within One Year
2000 Depot Town Downtown Development	<u>\$ 44,586</u>	<u>\$ (18,327)</u>	<u>\$ 26,259</u>	<u>\$ 19,275</u>

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

	Principal	Interest
2015	\$ 19,275	\$ 1,237
2016	<u>6,984</u>	<u>177</u>
	<u>\$ 26,259</u>	<u>\$ 1,414</u>

*Changes in Long-term Debt.* Long-term debt activity for the year ended June 30, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Primary Government</b>					
General obligation bonds	\$ 21,640,000	\$ -	\$ (1,715,000)	\$ 19,925,000	\$ 1,800,000
Revenue bonds	29,389,535	8,993,185	(9,770,000)	28,612,720	1,865,000
Unamortized premium	-	433,687	(30,978)	402,709	-
Installment obligations	3,090,350	-	-	3,090,350	-
Compensated absences	<u>947,182</u>	<u>723,712</u>	<u>(717,611)</u>	<u>953,283</u>	<u>722,233</u>
	<u>\$ 55,067,067</u>	<u>\$ 10,150,584</u>	<u>\$ (12,233,589)</u>	<u>\$ 52,984,062</u>	<u>\$ 4,387,233</u>
<b>Component Units</b>					
General obligation bonds	\$ 800,000	\$ -	\$ (130,000)	\$ 670,000	\$ 55,000
Revenue bonds	44,586	-	(18,327)	26,259	19,275
Compensated absences	<u>4,112</u>	<u>-</u>	<u>(1,497)</u>	<u>2,615</u>	<u>952</u>
	<u>\$ 848,698</u>	<u>\$ -</u>	<u>\$ (149,824)</u>	<u>\$ 698,874</u>	<u>\$ 75,227</u>

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

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	\$ 953,283
Water Street project bond payments	3,308,667
Water Street redevelopment professional fees	50,000
Energy efficiency and conservation project	206,312
Peninsular dam inspection study and repair	94,090
MDNR 2011 Recreation Passport Grant (Res # 2011-092)	10,000
Park capital improvements	<u>9,427</u>
Total committed fund balance	<u>\$ 4,631,779</u>

### 14. INVESTED IN CAPITAL ASSETS

Net investment in capital assets of the governmental activities were comprised of the following at June 30, 2014:

Capital assets not being depreciated	\$ 1,483,573
Capital assets being depreciated, net	21,020,819
General obligation bonds	(19,925,000)
Revenue bonds	(28,612,720)
Installment obligations	(3,090,350)
Add back debt that did not produce City capital assets:	
General obligation bonds	14,285,000
Revenue bonds	28,612,720
Installment obligations	<u>2,750,350</u>
Net investment in capital assets	<u>\$ 16,524,392</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.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

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):

	2014	2013
Estimated liability, beginning of year	\$ 408,893	\$ 378,613
Estimated claims incurred, including changes in estimates	461,871	504,413
Claim payments	<u>(204,270)</u>	<u>(474,133)</u>
Estimated liability, end of year	<u>\$ 666,494</u>	<u>\$ 408,893</u>

## 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 2013 levy was \$289,614,595. The government's general operating tax rate for fiscal 2013-14 was 19.0211 mills plus 2.7814 mills for sanitation, 4.7904 mills for streets, 0.9789 for public transit and 8.9229 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

#### *General Information about the Pension Plan*

*Plan administration.* 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. Cost of living adjustments are provided to members and 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 or on the City's website.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

Management of the System is vested in the Retirement Board of the City of Ypsilanti, Michigan Police and Fire Retirement System, which consists of five members: two that are elected (one each representing fire and police employees), two that are appointed by the City Council of the City of Ypsilanti and one that is the Treasurer of the City of Ypsilanti.

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.

*Plan membership.* At June 30, 2014, membership in the plan consisted of the following:

Retirees and beneficiaries receiving benefits	113
Terminated employee entitled to but not yet receiving benefits	1
Active employees	47
Total	161

*Benefits provided.* The System provides retirement, disability, and death benefits. Generally, retirement benefits are calculated as a percent of the member's final average compensation (AFC) for a certain number of years times the member's years of service as summarized in the following table:

Eligibility	Amount of Benefit
20 or more years of service (25 years for Fire Chief) regardless of age or age 60 regardless of service.	Straight life pension equals 3.0% of three year AFC times years of service for police and 3.0% of AFC times first 25 years of service plus 1% of AFC times years of service in excess of 25 for fire.
25 or more years of service regardless of age for fire members hired after July 1, 2009.	Straight life pension equals 2.5% of three year AFC times years of service, with a 75% maximum.
25 or more years of service regardless of age for POAM/COAM members hired after July 1, 2009.	Straight life pension equals 2.0% of three year AFC times years of service.
Members hired after July 1, 2012.	Same as members hired after July 1, 2009, except there is no annuity withdrawal option.

Retirees who are receiving benefits below the estimated federal and state poverty levels have their benefits increased up to the poverty level.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

*Contributions.* 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 for plan members hired prior to July 1, 2009 and 5% of gross wages for plan members hired after July 1, 2009. The funding policy provides for periodic employer contributions at actuarially determined rates; the current rate is 36.51% of covered payroll.

*Deferred Retirement Option Program (DROP).* In lieu of retiring and receiving a monthly benefit, an eligible participant may elect to participate in the DROP by making an irrevocable election to terminate employment with the City and retire upon ceasing participation in the DROP. The DROP election must specify the future retirement date which must be within the maximum time period permitted (typically 3 to 5 years, based on bargaining unit and hire date). Upon entry in the DROP, the participant ceases to accrue years of service in the defined benefit pension plan. The participant remains an employee of the City for all other purposes, but the retirement benefit payment is calculated and payments commence into a separate, restricted account. These monthly payments, along with interest earnings thereon, are not distributed to the participant until employment has terminated. DROP activity for the year ended June 30, 2014 is as follows:

Beginning Balance	Credits	Interest	Distributions	Adjustments	Ending Balance
\$ 770,635	\$ 244,997	\$ 34,330	\$ (420,094)	\$ -	\$ 629,868

### *Employer Disclosures under GASB Statement 27*

The annual pension cost (APC) for the year ended June 30, 2014 is \$1,358,167. 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, 2012, using the entry age cost method.

### Three-Year Trend Information

Years Ended June 30,	Annual Pension Cost (APC)	Percentage Contributed	Net Pension Obligation
2012	\$ 1,120,305	100%	\$ -
2013	1,222,085	100%	-
2014	1,358,167	100%	-

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

The funded status of the System as of June 30, 2013, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	\$ 44,583,788
Actuarial value of assets	<u>27,649,572</u>
Unfunded AAL (UAAL)	<u>\$ 16,934,216</u>
Funded ratio	<u>62.0%</u>
Covered payroll	<u>\$ 3,187,910</u>
UAAL as % of covered payroll	<u>531.2%</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 27. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. GASB Statement 27 required supplementary information is presented after the notes to the financial statements section of this report; additional information as of June 30, 2014, 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.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### *Pension Plan Disclosures under GASB Statement 67*

The financial statements of the System are prepared on the accrual basis of accounting. Member contributions are recognized in the period in which they are due. The City's contributions are recognized when due and the employer has made a formal commitment to provide them. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

*Net pension liability of the City.* The components of the net pension liability of the City at June 30, 2014, are as follows:

Total pension liability	\$ 44,839,193
Plan fiduciary net position	(31,597,237)
City's net pension liability	<u>\$ 13,241,956</u>
 Plan fiduciary net position as a percentage of the total pension liability	 70.47%

*Actuarial assumptions.* The total pension liability was determined by an actuarial valuation as of June 30, 2014 and a measurement date of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	4.0 percent
Salary increases	4.0-9.0 percent, average, including inflation
Investment rate of return	7.5 percent, net of pension plan investment expense, including inflation
Mortality rates	RP-2000 Mortality Table

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 through June 30, 2014.

*Investment allocation policy.* The System's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board. The policy pursues an investment strategy that protects the financial health of the System and reduces risk through the prudent portfolio diversification. The adopted asset allocation policy as of June 30, 2014, is presented in the table below.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 are summarized below:

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	50%	7.67%
Domestic fixed income	30%	4.80%
International equity	15%	7.20%
Cash	5%	2.30%
	100%	

*Discount rate.* The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the City, calculated using the discount rate of 7.5 percent, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentagepoint higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount (7.5%)	1% Increase (8.5%)
City’s net pension liability	\$ 18,130,015	\$ 13,241,956	\$ 9,142,178

### 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 minimum City contribution to the plan for the year ended June 30, 2014. 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 five 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.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

The funded status of the plan as of December 31, 2013, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	\$ 12,834,271
Actuarial value of assets	<u>(18,461,521)</u>
Overfunded AAL (OAAL)	<u>\$ (5,627,250)</u>
Funded ratio	<u>143.8%</u>
Covered payroll	<u>\$ 2,110,665</u>
OAAL as % of covered payroll	<u>-266.6%</u>

### Three-Year Trend Information

Years Ended June 30,	Annual Pension Cost (APC)	Percentage Contributed	Net Pension Obligation
2012	\$ -	n/a	\$ -
2013	-	n/a	-
2014	-	n/a	-

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.

## 18. OTHER POSTEMPLOYMENT BENEFITS

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.

As of December 31, 2012, the date of the latest actuarial valuation, the City had 219 total participants in the plan. This includes 82 active employees, 1 deferred vested participant, and 136 retirees that were eligible and receiving benefits.

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, 2014, the City paid benefits and made contributions to advance-fund the plan totaling \$1,196,034.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

For the year ended June 30, 2014, the City estimated the cost of providing retiree healthcare benefits based on an actuarial valuation as of December 31, 2012. 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 30 years. The current combined ARC is 27.0% of annual covered payroll.

For fiscal 2014, the components of the City's annual OPEB (other postemployment benefit) cost for the year, the amount actually contributed to the plan (including pay-as-you-go amounts), and changes in the City's net OPEB asset to the plan are as follows:

Annual required contribution	\$ 1,277,408
Interest on net OPEB asset	(14,913)
Adjustment to annual required contribution	15,948
Annual OPEB cost	<u>1,278,443</u>
Contributions made	<u>(1,196,034)</u>
Decrease in net OPEB asset	82,409
Net OPEB asset, beginning of year	<u>(186,417)</u>
 Net OPEB asset, end of year	 <u><u>\$ (104,008)</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three years were as follows:

Year Ended	Annual OPEB Cost	Actual Contribution	Percentage of OPEB Cost Contributed	Net OPEB Asset
6/30/2012	\$ 991,286	\$ 1,045,047	105.4%	\$ 326,461
6/30/2013	1,279,218	1,139,174	89.1%	186,417
6/30/2014	1,278,443	1,196,034	93.6%	104,008

*Funded Status.* The funded status of the plan as of December 31, 2012, the date of the latest actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	\$ 15,935,506
Actuarial value of assets	<u>3,412,331</u>
Unfunded AAL (UAAL)	<u><u>\$ 12,523,175</u></u>
 Funded ratio	 <u><u>21.4%</u></u>
 Covered payroll	 <u><u>\$ 4,722,802</u></u>
 UAAL as % of covered payroll	 <u><u>265.2%</u></u>

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

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

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

Actuarial valuation date	12/31/2012
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%

## 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 position 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.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### 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, 2014, 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.



## 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)
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%
2012	28,530,067	43,258,880	14,728,813	66.0%	3,412,398	431.6%
2013	27,649,572	44,583,788	16,934,216	62.0%	3,187,910	531.2%

Schedule of Employer Contributions  
Police and Fire Retirement System

Year Ended June 30,	Annual Required Contributions	Annual Actual Contribution	Percentage Contributed
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%
2013	1,222,085	1,222,085	100.00%
2014	1,358,167	1,358,167	100.00%

CITY OF YPSILANTI, MICHIGAN

Required Supplementary Information

Schedule of Funding Progress  
Municipal Employees Retirement System of Michigan

Actuarial Valuation Date December 31,	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)
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%
2012	18,074,617	12,460,118	(5,614,499)	145.1%	1,946,604	-288.4%
2013	18,461,521	12,834,271	(5,627,250)	143.8%	2,110,665	-266.6%

Schedule of Employer Contributions  
Municipal Employees Retirement System of Michigan

Year Ended June 30,	Annual Required Contributions	Annual Actual Contribution	Percentage Contributed
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%
2013	-	-	0.00%
2014	-	-	0.00%

CITY OF YPSILANTI, MICHIGAN

Required Supplementary Information

Schedule of Funding Progress  
Other Postemployment Health Care Benefits

Actuarial Valuation Date December 31,	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)
2008	\$ 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%
2012	3,412,331	15,935,506	12,523,175	21.4%	4,722,802	265.2%

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%
2013	1,277,408	1,139,174	89.2%
2014	1,277,408	1,196,034	93.6%

CITY OF YPSILANTI, MICHIGAN  
POLICE AND FIRE RETIREMENT SYSTEM

Required Supplementary Information (GASB Statement 67)

Schedule of Investment Returns

Last Two Fiscal Years (ultimately ten years will be displayed)

Fiscal Year Ended	Annual Money-Weighted Rate of Return, Net of Investment Expense
6/30/2013	13.99%
6/30/2014	19.22%

**CITY OF YPSILANTI, MICHIGAN  
POLICE AND FIRE RETIREMENT SYSTEM**

**Required Supplementary Information (GASB Statement 67)**

Schedule of Changes in the City's Net Pension Liability and Related Ratios  
Last Fiscal Year (ultimately ten fiscal years will be displayed)

	2014
Change in total pension liability	
Service cost	\$ 417,399
Interest	3,244,001
Changes of benefit terms	88,956
Differences between expected and actual experience	(212,827)
Changes of assumptions	(203,836)
Benefit payments, including refunds of member contributions	(3,078,288)
Net change in total pension liability	<u>255,405</u>
 Total pension liability, beginning	 <u>44,583,788</u>
 Total pension liability, ending (a)	 <u>44,839,193</u>
 Change in plan fiduciary net position	
Contributions - employer	1,358,167
Contributions - member	275,422
Net investment income	4,982,234
Benefit payments, including refunds of member contributions	(3,078,288)
Administrative expense	(60,012)
Net change in plan fiduciary net position	<u>3,477,523</u>
 Plan fiduciary net position, beginning	 <u>28,119,714</u>
 Plan fiduciary net position, ending (b)	 <u>31,597,237</u>
 City's net pension liability, ending (a)-(b)	 <u><u>\$13,241,956</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	 70.47%
 Covered-employee payroll	 \$ 3,440,059
 City's net pension liability as a percentage of covered payroll	 384.93%

**CITY OF YPSILANTI, MICHIGAN  
POLICE AND FIRE RETIREMENT SYSTEM**

**Required Supplementary Information (GASB Statement 67)**

Schedule of City Contributions

Last Fiscal Year (ultimately ten years will be displayed)

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2014	\$ 1,347,529	\$ 1,358,167	\$ (10,638)	\$ 3,440,059	39.5%

Notes to Schedule of Contributions

Valuation date June 30, 2014

Notes Actuarially determined contribution rates are calculated as of June 30 that is 12 months prior to the beginning of the fiscal year for which the contributions are reported.

Other information During the year ended June 30, 2014, the plan experienced a change in benefit provisions resulting in a \$88,956 increase in TPL and actuarial assumptions resulting in a \$203,836 decrease in TPL.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	level percentage of payroll, closed
Remaining amortization period	30 years
Asset valuation method	Open 5-year smoothed market
Inflation	4.0 percent
Salary increases	4.0-9.0 percent, average, including inflation
Investment rate of return	7.5 percent, net of pension plan investment expense, including inflation
Mortality rates	RP-2000 Mortality Table

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

# CITY OF YPSILANTI, MICHIGAN

## Combining Balance Sheet Nonmajor Governmental Funds June 30, 2014

	Special Revenue	Debt Service	Capital Projects	Totals
<b>Assets</b>				
Cash and cash equivalents	\$ 1,791,931	\$ 99,257	\$ 2,082,018	\$ 3,973,206
Accounts receivable	17,391	113	31,502	49,006
Due from other funds	-	102,122	-	102,122
Due from other governments	185,249	-	-	185,249
<b>Total assets</b>	<b>\$ 1,994,571</b>	<b>\$ 201,492</b>	<b>\$ 2,113,520</b>	<b>\$ 4,309,583</b>
<b>Liabilities</b>				
Accounts payable	\$ 50,719	\$ 963	\$ 7,123	\$ 58,805
Accrued liabilities	20,731	-	-	20,731
Due to other governments	1,687	-	-	1,687
Tax refunds payable	27,831	44,345	-	72,176
Unearned revenue	-	-	12,500	12,500
<b>Total liabilities</b>	<b>100,968</b>	<b>45,308</b>	<b>19,623</b>	<b>165,899</b>
<b>Fund balances</b>				
Restricted for:				
Major and local streets	1,782,292	-	-	1,782,292
Drug law enforcement	38,881	-	-	38,881
Public transportation	11,355	-	-	11,355
Debt service	-	156,184	1,070,763	1,226,947
Committed for capital projects	61,075	-	1,023,134	1,084,209
<b>Total fund balances</b>	<b>1,893,603</b>	<b>156,184</b>	<b>2,093,897</b>	<b>4,143,684</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,994,571</b>	<b>\$ 201,492</b>	<b>\$ 2,113,520</b>	<b>\$ 4,309,583</b>

# CITY OF YPSILANTI, MICHIGAN

## Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Nonmajor Governmental Funds  
For the Year Ended June 30, 2014

	Special Revenue	Debt Service	Capital Projects	Totals
<b>Revenues</b>				
Taxes and special assessments	\$ 1,058,450	\$ 1,379,943	\$ -	\$ 2,438,393
Licenses and permits	8,040	-	50,057	58,097
Intergovernmental	1,348,555	1,189,137	1,573,870	4,111,562
Investment earnings	9,122	1,629	10,055	20,806
Other revenues	106,416	-	-	106,416
<b>Total revenues</b>	<b>2,530,583</b>	<b>2,570,709</b>	<b>1,633,982</b>	<b>6,735,274</b>
<b>Expenditures</b>				
Current:				
General government	-	-	265,162	265,162
Public safety	215,162	-	99,970	315,132
Public works	-	-	1,644,670	1,644,670
Refuse collection	1,017,678	-	-	1,017,678
Highways, streets and bridges	1,476,912	-	-	1,476,912
Community development	-	-	9,074	9,074
Public transportation	274,846	-	-	274,846
Tax tribunal refunds	2,469	1,449	-	3,918
Debt service:				
Principal	-	2,305,000	785,000	3,090,000
Interest and fiscal charges	-	265,679	691,121	956,800
<b>Total expenditures</b>	<b>2,987,067</b>	<b>2,572,128</b>	<b>3,494,997</b>	<b>9,054,192</b>
Revenues under expenditures	(456,484)	(1,419)	(1,861,015)	(2,318,918)
<b>Other financing sources (uses)</b>				
Issuance of refunding bonds	-	-	1,503,185	1,503,185
Payment to refunding bond escrow agent	-	-	-	-
Premium on refunding bonds	-	-	-	-
Transfers in	391,175	37,128	1,142,480	1,570,783
Transfers out	(193,289)	(1,744,330)	(1,070,460)	(3,008,079)
<b>Total other financing sources (uses)</b>	<b>197,886</b>	<b>(1,707,202)</b>	<b>1,575,205</b>	<b>65,889</b>
<b>Net changes in fund balances</b>	<b>(258,598)</b>	<b>(1,708,621)</b>	<b>(285,810)</b>	<b>(2,253,029)</b>
Fund balances, beginning of year	2,152,201	1,864,805	2,379,707	6,396,713
<b>Fund balances, end of year</b>	<b>\$ 1,893,603</b>	<b>\$ 156,184</b>	<b>\$ 2,093,897</b>	<b>\$ 4,143,684</b>

CITY OF YPSILANTI, MICHIGAN

**Combining Balance Sheet**  
 Nonmajor Special Revenue Funds  
 June 30, 2014

	Major Streets	Local Streets	Garbage and Rubbish Collection	Police	Public Transportation	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 941,012	\$ 752,119	\$ 38,306	\$ 47,257	\$ 13,237	\$ 1,791,931
Accounts receivable	839	16,262	290	-	-	17,391
Due from other governments	139,477	45,772	-	-	-	185,249
<b>Total assets</b>	<b>\$ 1,081,328</b>	<b>\$ 814,153</b>	<b>\$ 38,596</b>	<b>\$ 47,257</b>	<b>\$ 13,237</b>	<b>\$ 1,994,571</b>
<b>Liabilities</b>						
Accounts payable	\$ 39,331	\$ 1,463	\$ 5,868	\$ 3,862	\$ 195	\$ 50,719
Accrued liabilities	6,725	4,595	4,897	4,514	-	20,731
Due to other governments	-	-	-	-	1,687	1,687
Tax refunds payable	-	-	27,831	-	-	27,831
<b>Total liabilities</b>	<b>46,056</b>	<b>6,058</b>	<b>38,596</b>	<b>8,376</b>	<b>1,882</b>	<b>100,968</b>
<b>Fund balances</b>						
Restricted for:						
Major and local streets	974,197	808,095	-	-	-	1,782,292
Drug law enforcement	-	-	-	38,881	-	38,881
Public transportation	-	-	-	-	11,355	11,355
Committed for projects	61,075	-	-	-	-	61,075
<b>Total fund balances</b>	<b>1,035,272</b>	<b>808,095</b>	<b>-</b>	<b>38,881</b>	<b>11,355</b>	<b>1,893,603</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,081,328</b>	<b>\$ 814,153</b>	<b>\$ 38,596</b>	<b>\$ 47,257</b>	<b>\$ 13,237</b>	<b>\$ 1,994,571</b>

CITY OF YPSILANTI, MICHIGAN

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
 Nonmajor Special Revenue Funds  
 For the Year Ended June 30, 2014

	Major Streets	Local Streets	Garbage and Rubbish Collection	Police	Public Transportation	Total
<b>Revenues</b>						
Taxes and special assessments	\$ -	\$ -	\$ 783,433	\$ -	\$ 275,017	\$ 1,058,450
Licenses and permits	5,640	2,400	-	-	-	8,040
Intergovernmental	1,070,534	278,021	-	-	-	1,348,555
Investment earnings	5,072	2,589	609	678	174	9,122
Other revenues	3,681	62,991	24,198	15,546	-	106,416
<b>Total revenues</b>	<b>1,084,927</b>	<b>346,001</b>	<b>808,240</b>	<b>16,224</b>	<b>275,191</b>	<b>2,530,583</b>
<b>Expenditures</b>						
Public safety	-	-	-	215,162	-	215,162
Refuse collection	-	-	1,017,678	-	-	1,017,678
Highways, streets and bridges	1,051,263	425,649	-	-	-	1,476,912
Public transportation	-	-	-	-	274,846	274,846
Tax tribunal refunds	-	-	1,929	-	540	2,469
<b>Total expenditures</b>	<b>1,051,263</b>	<b>425,649</b>	<b>1,019,607</b>	<b>215,162</b>	<b>275,386</b>	<b>2,987,067</b>
Revenues over (under) expenditures	33,664	(79,648)	(211,367)	(198,938)	(195)	(456,484)
<b>Other financing sources (uses)</b>						
Transfers in	-	179,808	211,367	-	-	391,175
Transfers out	(193,289)	-	-	-	-	(193,289)
<b>Total other financing sources (uses)</b>	<b>(193,289)</b>	<b>179,808</b>	<b>211,367</b>	<b>-</b>	<b>-</b>	<b>197,886</b>
Net changes in fund balances	(159,625)	100,160	-	(198,938)	(195)	(258,598)
Fund balances, beginning of year	1,194,897	707,935	-	237,819	11,550	2,152,201
<b>Fund balances, end of year</b>	<b>\$ 1,035,272</b>	<b>\$ 808,095</b>	<b>\$ -</b>	<b>\$ 38,881</b>	<b>\$ 11,355</b>	<b>\$ 1,893,603</b>

# 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, 2014

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
<b>Revenues</b>				
Licenses and permits	\$ 6,000	\$ 6,000	\$ 5,640	\$ (360)
Intergovernmental - state	985,718	1,103,285	1,070,534	(32,751)
Investment earnings	4,750	4,750	5,072	322
Other revenues	2,000	4,000	3,681	(319)
<b>Total revenues</b>	<b>998,468</b>	<b>1,118,035</b>	<b>1,084,927</b>	<b>(33,108)</b>
<b>Expenditures</b>				
Highways, streets and bridges:				
Street construction	269,500	271,900	237,226	(34,674)
Routine maintenance	377,762	376,806	348,776	(28,030)
Routine maintenance - bridges	9,000	9,000	121	(8,879)
Traffic services	90,438	113,005	116,833	3,828
Winter maintenance	106,711	145,118	126,476	(18,642)
Administration	47,935	46,360	42,693	(3,667)
Trunkline maintenance	176,048	223,260	179,138	(44,122)
<b>Total expenditures</b>	<b>1,077,394</b>	<b>1,185,449</b>	<b>1,051,263</b>	<b>(134,186)</b>
Revenues over (under) expenditures	(78,926)	(67,414)	33,664	101,078
<b>Other financing sources (uses)</b>				
Transfers out	(176,344)	(179,808)	(193,289)	(13,481)
<b>Net changes in fund balance</b>	<b>(255,270)</b>	<b>(247,222)</b>	<b>(159,625)</b>	<b>87,597</b>
Fund balance, beginning of year	1,194,897	1,194,897	1,194,897	-
<b>Fund balance, end of year</b>	<b>\$ 939,627</b>	<b>\$ 947,675</b>	<b>\$ 1,035,272</b>	<b>\$ 87,597</b>

# 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, 2014

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
<b>Revenues</b>				
Licenses and permits	\$ 2,000	\$ 2,000	\$ 2,400	\$ 400
Intergovernmental - state	267,435	273,155	278,021	4,866
Investment earnings	1,750	2,000	2,589	589
Other revenues	19,200	69,790	62,991	(6,799)
<b>Total revenues</b>	<b>290,385</b>	<b>346,945</b>	<b>346,001</b>	<b>(944)</b>
<b>Expenditures</b>				
Highways, streets and bridges:				
Routine maintenance	330,550	336,713	240,203	(96,510)
Traffic services	29,102	32,907	32,816	(91)
Winter maintenance	108,934	138,598	126,845	(11,753)
Administration	29,935	27,902	25,785	(2,117)
<b>Total expenditures</b>	<b>498,521</b>	<b>536,120</b>	<b>425,649</b>	<b>(110,471)</b>
Revenues (under) expenditures	(208,136)	(189,175)	(79,648)	109,527
<b>Other financing sources</b>				
Transfers in	176,344	179,808	179,808	-
<b>Net changes in fund balance</b>	<b>(31,792)</b>	<b>(9,367)</b>	<b>100,160</b>	<b>109,527</b>
Fund balance, beginning of year	707,935	707,935	707,935	-
<b>Fund balance, end of year</b>	<b>\$ 676,143</b>	<b>\$ 698,568</b>	<b>\$ 808,095</b>	<b>\$ 109,527</b>

# 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, 2014

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes and special assessments	\$ 779,794	\$ 784,572	\$ 783,433	\$ (1,139)
Investment earnings	640	640	609	(31)
Other revenues	26,240	23,685	24,198	513
<b>Total revenues</b>	<b>806,674</b>	<b>808,897</b>	<b>808,240</b>	<b>(657)</b>
<b>Expenditures</b>				
Refuse collection	980,264	1,012,660	1,017,678	5,018
Tax tribunal refunds	1,500	1,500	1,929	429
<b>Total expenditures</b>	<b>981,764</b>	<b>1,014,160</b>	<b>1,019,607</b>	<b>5,447</b>
Revenues (under) expenditures	(175,090)	(205,263)	(211,367)	(6,104)
<b>Other financing sources</b>				
Transfers in	183,643	205,263	211,367	6,104
Net changes in fund balance	8,553	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ 8,553	\$ -	\$ -	\$ -

# CITY OF YPSILANTI, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Police Fund

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Revenues				
Investment earnings	\$ 1,000	\$ 650	\$ 678	\$ 28
Other revenues	10,000	10,325	15,546	5,221
Total revenues	11,000	10,975	16,224	5,249
Expenditures				
Public safety	244,264	220,813	215,162	(5,651)
Net changes in fund balance	(233,264)	(209,838)	(198,938)	10,900
Fund balance, beginning of year	237,819	237,819	237,819	-
Fund balance, end of year	\$ 4,555	\$ 27,981	\$ 38,881	\$ 10,900

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# 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, 2014

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Revenues				
Taxes and special assessments	\$ 274,047	\$ 275,829	\$ 275,017	\$ (812)
Investment earnings	765	280	174	(106)
Total revenues	<u>274,812</u>	<u>276,109</u>	<u>275,191</u>	<u>(918)</u>
Expenditures				
Public transportation	274,145	275,609	274,846	(763)
Tax tribunal refunds	500	500	540	40
Total expenditures	<u>274,645</u>	<u>276,109</u>	<u>275,386</u>	<u>(723)</u>
Net changes in fund balance	167	-	(195)	(195)
Fund balance, beginning of year	<u>11,550</u>	<u>11,550</u>	<u>11,550</u>	<u>-</u>
Fund balance, end of year	<u>\$ 11,717</u>	<u>\$ 11,550</u>	<u>\$ 11,355</u>	<u>\$ (195)</u>

CITY OF YPSILANTI, MICHIGAN

**Combining Balance Sheet**  
 Nonmajor Debt Service Funds  
 June 30, 2014

	2011 Revenue Bonds	2002-A Revenue Bonds	2002 General Obligation Bonds
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Accounts receivable	-	-	-
Due from other funds	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total assets</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ -
Tax refunds payable	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total liabilities</b>	-	-	-
<b>Fund balances</b>			
Restricted for debt service	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total liabilities and fund balances</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

2002-B Revenue Bonds	2002-C Revenue Bonds	Water Supply and Sewer Refunding	2010 Refunding Bonds Debt Service	2012 Refunding Bonds Debt Service	Total
\$ -	\$ -	\$ -	\$ 31,761	\$ 67,496	\$ 99,257
-	-	-	113	-	113
-	-	-	52,085	50,037	102,122
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,959</u>	<u>\$ 117,533</u>	<u>\$ 201,492</u>
\$ -	\$ -	\$ -	\$ 487	\$ 476	\$ 963
-	-	-	21,893	22,452	44,345
-	-	-	22,380	22,928	45,308
-	-	-	61,579	94,605	156,184
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,959</u>	<u>\$ 117,533</u>	<u>\$ 201,492</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, 2014

	2001 Revenue Bonds	2002-A Revenue Bonds	2002 General Obligation Bonds
Revenues			
Taxes and special assessments	\$ -	\$ -	\$ -
Intergovernmental	105,831	144,063	-
Investment earnings	-	-	-
<b>Total revenues</b>	<b>105,831</b>	<b>144,063</b>	<b>-</b>
Expenditures			
Tax tribunal refunds	-	-	-
Debt service:			
Principal	85,000	120,000	30,000
Interest and fiscal charges	20,831	24,063	7,128
<b>Total expenditures</b>	<b>105,831</b>	<b>144,063</b>	<b>37,128</b>
Revenues over (under) expenditures	-	-	(37,128)
Other financing sources			
Transfers in	-	-	37,128
Transfers out	(381,117)	(434,594)	-
<b>Total other financing sources (uses)</b>	<b>(381,117)</b>	<b>(434,594)</b>	<b>37,128</b>
Net changes in fund balances	(381,117)	(434,594)	-
Fund balances, beginning of year	381,117	434,594	-
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

2002-B Revenue Bonds	2002-C Revenue Bonds	Water Supply and Sewer Refunding	2010 Refunding Bonds Debt Service	2012 Refunding Bonds Debt Service	Total
\$ -	\$ -	\$ -	\$ 701,900	\$ 678,043	\$ 1,379,943
31,063	367,050	541,130	-	-	1,189,137
-	-	-	816	813	1,629
<u>31,063</u>	<u>367,050</u>	<u>541,130</u>	<u>702,716</u>	<u>678,856</u>	<u>2,570,709</u>
-	-	-	703	746	1,449
25,000	295,000	510,000	630,000	610,000	2,305,000
6,063	72,050	31,130	54,175	50,239	265,679
<u>31,063</u>	<u>367,050</u>	<u>541,130</u>	<u>684,878</u>	<u>660,985</u>	<u>2,572,128</u>
-	-	-	17,838	17,871	(1,419)
-	-	-	-	-	37,128
<u>(44,395)</u>	<u>(602,758)</u>	<u>(281,466)</u>	<u>-</u>	<u>-</u>	<u>(1,744,330)</u>
<u>(44,395)</u>	<u>(602,758)</u>	<u>(281,466)</u>	<u>-</u>	<u>-</u>	<u>(1,707,202)</u>
(44,395)	(602,758)	(281,466)	17,838	17,871	(1,708,621)
<u>44,395</u>	<u>602,758</u>	<u>281,466</u>	<u>43,741</u>	<u>76,734</u>	<u>1,864,805</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,579</u>	<u>\$ 94,605</u>	<u>\$ 156,184</u>

CITY OF YPSILANTI, MICHIGAN

**Combining Balance Sheet**  
 Nonmajor Capital Projects Funds  
 June 30, 2014

	Capital Improvement Reserve	Sidewalk Improvement	2003-D Water Supply and Sewer	2004-A Water	2004-B Water and Sewer	2003-B Water and Sewer
<b>Assets</b>						
Cash and cash equivalents	\$ 749,749	\$ 266,689	\$ -	\$ -	\$ -	\$ -
Accounts receivable	24,772	1,547	-	-	-	-
<b>Total assets</b>	<b>\$ 774,521</b>	<b>\$ 268,236</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Liabilities</b>						
Accounts payable	\$ 7,123	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	12,500	-	-	-	-	-
<b>Total liabilities</b>	<b>19,623</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>						
Restricted for debt service	-	-	-	-	-	-
Committed for capital projects	754,898	268,236	-	-	-	-
<b>Total fund balances</b>	<b>754,898</b>	<b>268,236</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 774,521</b>	<b>\$ 268,236</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

continued...

2003-C Water and Sewer	Land Revolving Capital Projects	2006 Water and Sewer Refunding	2007 Water and Sewer DWRP	2008 Water and Sewer DWRP	2009 Water and Sewer DWRP	Factory Street Pump Station	Totals
\$ -	\$ 240,874	\$ -	\$ -	\$ -	\$ -	\$ 824,706	\$ 2,082,018
-	-	-	-	-	-	5,183	31,502
<u>\$ -</u>	<u>\$ 240,874</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 829,889</u>	<u>\$ 2,113,520</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,123
-	-	-	-	-	-	-	12,500
-	-	-	-	-	-	-	19,623
-	240,874	-	-	-	-	829,889	1,070,763
-	-	-	-	-	-	-	1,023,134
-	240,874	-	-	-	-	829,889	2,093,897
<u>\$ -</u>	<u>\$ 240,874</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 829,889</u>	<u>\$ 2,113,520</u>

concluded.

CITY OF YPSILANTI, MICHIGAN

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
 Nonmajor Capital Projects Funds  
 For the Year Ended June 30, 2014

	Capital Improvement Reserve	Sidewalk Improvement	2003-D Water Supply and Sewer	2004-A Water	2004-B Water and Sewer	2003-B Water and Sewer
<b>Revenues</b>						
Licenses and permits	\$ -	\$ 50,057	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	88,677	337,625	116,025	389,203	69,381
Investment earnings (loss)	3,113	842	-	1	-	1
<b>Total revenues</b>	<b>3,113</b>	<b>139,576</b>	<b>337,625</b>	<b>116,026</b>	<b>389,203</b>	<b>69,382</b>
<b>Expenditures</b>						
General government	265,162	-	-	-	-	-
Public safety	99,970	-	-	-	-	-
Public works	-	145,470	-	-	-	-
Community development	-	-	-	-	-	-
Debt service:						
Principal	-	-	260,000	70,000	305,000	45,000
Interest and fiscal charges	-	-	77,625	46,026	84,203	24,382
<b>Total expenditures</b>	<b>365,132</b>	<b>145,470</b>	<b>337,625</b>	<b>116,026</b>	<b>389,203</b>	<b>69,382</b>
Revenues over (under) expenditures	(362,019)	(5,894)	-	-	-	-
<b>Other financing sources (uses)</b>						
Issuance of refunding bonds	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-	-
Premium on refunding bonds	-	-	-	-	-	-
Transfers in	321,765	-	-	-	-	-
Transfers out	-	-	(338,926)	(162,583)	(431,590)	(87,162)
<b>Total other financing sources (uses)</b>	<b>321,765</b>	<b>-</b>	<b>(338,926)</b>	<b>(162,583)</b>	<b>(431,590)</b>	<b>(87,162)</b>
Net changes in fund balances	(40,254)	(5,894)	(338,926)	(162,583)	(431,590)	(87,162)
Fund balances, beginning of year	795,152	274,130	338,926	162,583	431,590	87,162
<b>Fund balances, end of year</b>	<b>\$ 754,898</b>	<b>\$ 268,236</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

continued...

2003-C Water and Sewer	Land Revolving Capital Projects	2006 Water and Sewer Refunding	2007 Water and Sewer DWRP	2008 Water and Sewer DWRP	2009 Water and Sewer DWRP	Factory Street Pump Station	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,057
51,500	9,074	420,056	19,913	28,731	8,038	35,647	1,573,870
-	909	-	-	-	-	5,189	10,055
51,500	9,983	420,056	19,913	28,731	8,038	40,836	1,633,982
-	-	-	-	-	-	-	265,162
-	-	-	-	-	-	-	99,970
-	-	-	-	-	-	1,499,200	1,644,670
-	9,074	-	-	-	-	-	9,074
40,000	-	25,000	15,000	20,000	5,000	-	785,000
11,500	-	395,056	4,913	8,731	3,038	35,647	691,121
51,500	9,074	420,056	19,913	28,731	8,038	1,534,847	3,494,997
-	909	-	-	-	-	(1,494,011)	(1,861,015)
-	-	-	-	-	-	1,503,185	1,503,185
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	820,715	1,142,480
(50,199)	-	-	-	-	-	-	(1,070,460)
(50,199)	-	-	-	-	-	2,323,900	1,575,205
(50,199)	909	-	-	-	-	829,889	(285,810)
50,199	239,965	-	-	-	-	-	2,379,707
\$ -	\$ 240,874	\$ -	\$ -	\$ -	\$ -	\$ 829,889	\$ 2,093,897

concluded.

# CITY OF YPSILANTI, MICHIGAN

## Combining Statement of Net Position

Internal Service Funds

June 30, 2014

	Motor Pool	Workers' Compensation	Retiree Health Care Benefits	Total
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 2,315,113	\$ 116,586	\$ 941,568	\$ 3,373,267
Investments	606,722	889,302	-	1,496,024
Accounts receivable	1,483	-	30,392	31,875
Inventory	30,918	-	-	30,918
Prepaid items	-	-	56,765	56,765
<b>Total current assets</b>	<b>2,954,236</b>	<b>1,005,888</b>	<b>1,028,725</b>	<b>4,988,849</b>
Noncurrent assets - capital assets, net	1,366,818	-	-	1,366,818
<b>Total assets</b>	<b>4,321,054</b>	<b>1,005,888</b>	<b>1,028,725</b>	<b>6,355,667</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and accrued liabilities	26,105	26,963	345	53,413
Current portion of claims payable	-	266,600	-	266,600
<b>Total current liabilities</b>	<b>26,105</b>	<b>293,563</b>	<b>345</b>	<b>320,013</b>
Noncurrent liabilities - claims payable, net	-	399,894	-	399,894
<b>Total liabilities</b>	<b>26,105</b>	<b>693,457</b>	<b>345</b>	<b>719,907</b>
<b>Net position</b>				
Investment in capital assets	1,366,818	-	-	1,366,818
Unrestricted	2,928,131	312,431	1,028,380	4,268,942
<b>Total net position</b>	<b>\$ 4,294,949</b>	<b>\$ 312,431</b>	<b>\$ 1,028,380</b>	<b>\$ 5,635,760</b>

# CITY OF YPSILANTI, MICHIGAN

## Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

For the Year Ended June 30, 2014

	Motor Pool	Workers' Compensation	Retiree Health Care Benefits	Total
Operating revenues				
Charges for services	\$ 372,125	\$ 67,486	\$ 1,586,036	\$ 2,025,647
Operating expenses				
Salaries, taxes and benefits	195,054	60	-	195,114
Gas, oil and fuel	169,253	-	-	169,253
Depreciation	390,017	-	-	390,017
Operation and maintenance	149,655	1,213	-	150,868
Contractual services and fees	112,022	127,560	-	239,582
Insurance and other	58,319	-	-	58,319
Benefits and claims	-	455,649	1,196,034	1,651,683
Total operating expenses	1,074,320	584,482	1,196,034	2,854,836
Operating income (loss)	(702,195)	(516,996)	390,002	(829,189)
Nonoperating revenues				
Investment income (loss)	85,634	74,588	1,815	162,037
Gain on sale of equipment	136,106	-	-	136,106
Total nonoperating revenues	221,740	74,588	1,815	298,143
Income (loss) before transfers	(480,455)	(442,408)	391,817	(531,046)
Transfers out	(211,367)	-	-	(211,367)
Change in net position	(691,822)	(442,408)	391,817	(742,413)
Net position, beginning of year	4,986,771	754,839	636,563	6,378,173
Net position, end of year	\$ 4,294,949	\$ 312,431	\$ 1,028,380	\$ 5,635,760

CITY OF YPSILANTI, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2014

	Motor Pool	Workers' Compensation	Retiree Health Care Benefits	Total
<b>Cash flows from operating activities</b>				
Cash received from interfund services	\$ 373,656	\$ 67,486	\$ 1,559,673	\$ 2,000,815
Cash payments to employees	(195,054)	(60)	-	(195,114)
Cash payments for claims	-	(198,048)	(1,196,005)	(1,394,053)
Cash payments to suppliers for goods and services	(479,031)	(104,644)	(1,648)	(585,323)
<b>Net cash provided by (used in) operating activities</b>	<b>(300,429)</b>	<b>(235,266)</b>	<b>362,020</b>	<b>(173,675)</b>
<b>Cash flows from non-capital financing activities</b>				
Transfer to other funds	(211,367)	-	-	(211,367)
<b>Cash flows from capital and related financing activities</b>				
Purchase of capital assets	(196,889)	-	-	(196,889)
Proceeds from sale of capital assets	136,106	-	-	136,106
<b>Net cash used in capital and related financing activities</b>	<b>(60,783)</b>	<b>-</b>	<b>-</b>	<b>(60,783)</b>
<b>Cash flows from investing activities</b>				
Maturity of investments	70,842	114,508	-	185,350
Investment income	85,634	74,588	1,815	162,037
<b>Net cash provided by investing activities</b>	<b>156,476</b>	<b>189,096</b>	<b>1,815</b>	<b>347,387</b>
<b>Net change in cash and cash equivalents</b>	<b>(416,103)</b>	<b>(46,170)</b>	<b>363,835</b>	<b>(98,438)</b>
Cash and cash equivalents, beginning of year	2,731,216	162,756	577,733	3,471,705
Cash and cash equivalents, end of year	\$ 2,315,113	\$ 116,586	\$ 941,568	\$ 3,373,267
<b>Reconciliation of operating income (loss) to net cash provided (used) in operating activities</b>				
Operating income (loss)	\$ (702,195)	\$ (516,996)	\$ 390,002	\$ (829,189)
Adjustments to reconcile operating income (loss) to net cash provided (used) in operating activities:				
Depreciation	390,017	-	-	390,017
Changes in:				
Accounts receivable	1,531	-	(26,363)	(24,832)
Inventory	3,406	-	-	3,406
Prepaid items	-	5,000	(1,648)	3,352
Accounts payable and accrued liabilities	6,812	19,129	29	25,970
Claims payable	-	257,601	-	257,601
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (300,429)</b>	<b>\$ (235,266)</b>	<b>\$ 362,020</b>	<b>\$ (173,675)</b>

# CITY OF YPSILANTI, MICHIGAN

## Statement of Changes in Assets and Liabilities

Current Tax Agency Fund  
For the Year Ended June 30, 2014

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
<b>Assets</b>				
Cash and cash equivalents	\$ 62,771	\$ 31,549,436	\$ 31,612,207	\$ -
Accrued interest receivable	11	-	11	-
<b>Total assets</b>	<u>\$ 62,782</u>	<u>\$ 31,549,436</u>	<u>\$ 31,612,218</u>	<u>\$ -</u>
<b>Liabilities</b>				
Undistributed receipts	<u>\$ 62,782</u>	<u>\$ 31,549,436</u>	<u>\$ 31,612,218</u>	<u>\$ -</u>

CITY OF YPSILANTI, MICHIGAN

Statement of Net Position and Governmental Funds Balance Sheet

Downtown Development Authority Component Unit

June 30, 2014

	General Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
<b>Assets</b>					
Cash and cash equivalents	\$ 242,105	\$ 4,825	\$ 246,930	\$ -	\$ 246,930
Capital assets being depreciated, net	-	-	-	1,759,030	1,759,030
<b>Total assets</b>	<b>\$ 242,105</b>	<b>\$ 4,825</b>	<b>\$ 246,930</b>	<b>1,759,030</b>	<b>2,005,960</b>
<b>Liabilities</b>					
Accounts payable	\$ 15,717	\$ -	\$ 15,717	-	15,717
Accrued liabilities	6,919	4,825	11,744	-	11,744
Due to other governments	365	-	365	-	365
Unearned revenue	11,500	-	11,500	-	11,500
Long-term liabilities:					
Due within one year	2,615	-	2,615	53,337	55,952
Due in more than one year	-	-	-	616,663	616,663
<b>Total liabilities</b>	<b>37,116</b>	<b>4,825</b>	<b>41,941</b>	<b>670,000</b>	<b>711,941</b>
<b>Fund balances / net position</b>					
Unassigned	204,989	-	204,989	(204,989)	-
<b>Total liabilities and fund balances</b>	<b>\$ 242,105</b>	<b>\$ 4,825</b>	<b>\$ 246,930</b>		
<b>Net position</b>					
Net investment in capital assets				1,089,030	1,089,030
Unrestricted				204,989	204,989
<b>Total net position</b>				<b>\$ 1,294,019</b>	<b>\$ 1,294,019</b>

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, 2014

	General Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Expenditures/expenses					
Community development	\$ 190,486	\$ -	\$ 190,486	\$ 115,337	\$ 305,823
Debt service:					
Principal	80,000	50,000	130,000	(130,000)	-
Interest and fiscal charges	4,691	30,772	35,463	-	35,463
<b>Total expenditures/expenses</b>	<b>275,177</b>	<b>80,772</b>	<b>355,949</b>	<b>(14,663)</b>	<b>341,286</b>
General revenues					
Property taxes	307,726	-	307,726	-	307,726
Other revenues	7,008	-	7,008	(1)	7,007
Investment earnings	1,317	-	1,317	-	1,317
<b>Total general revenues</b>	<b>316,051</b>	<b>-</b>	<b>316,051</b>	<b>(1)</b>	<b>316,050</b>
Excess of general revenues over (under) expenditures/expenses	40,874	(80,772)	(39,898)	14,662	(25,236)
Other financing sources (uses)					
Transfers in	-	80,772	80,772	(80,772)	-
Transfers out	(80,772)	-	(80,772)	80,772	-
<b>Total other financing sources (uses)</b>	<b>(80,772)</b>	<b>80,772</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net changes in fund balances	(39,898)	-	(39,898)	39,898	-
Change in net position	-	-	-	(25,236)	(25,236)
Fund balance/net position, beginning of year	244,887	-	244,887	1,074,368	1,319,255
<b>Fund balance/net position, end of year</b>	<b>\$ 204,989</b>	<b>\$ -</b>	<b>\$ 204,989</b>	<b>\$ 1,089,030</b>	<b>\$ 1,294,019</b>

# CITY OF YPSILANTI, MICHIGAN

## Statement of Net Position and Governmental Funds Balance Sheet

Depot Town Downtown Development Authority Component Unit

June 30, 2014

	General Fund	Adjustments	Statement of Net Position
<b>Assets</b>			
Cash and cash equivalents	\$ 311,607	\$ -	\$ 311,607
Accounts receivable	515	-	515
Capital assets not being depreciated	-	53,984	53,984
Capital assets being depreciated, net	-	268,757	268,757
<b>Total assets</b>	<b>\$ 312,122</b>	<b>322,741</b>	<b>634,863</b>
<b>Liabilities</b>			
Accounts payable	\$ 12,483	-	12,483
Accrued liabilities	661	-	661
Due to other governments	11,860	-	11,860
Unearned revenue	10,000	-	10,000
Long-term liabilities:			
Due within one year	-	19,275	19,275
Due in more than one year	-	6,984	6,984
<b>Total liabilities</b>	<b>35,004</b>	<b>26,259</b>	<b>61,263</b>
<b>Fund balances / net position</b>			
Unassigned	277,118	(277,118)	-
<b>Total liabilities and fund balances</b>	<b>\$ 312,122</b>		
<b>Net position</b>			
Net investment in capital assets		296,482	296,482
Unrestricted		277,118	277,118
<b>Total net position</b>		<b>\$ 573,600</b>	<b>\$ 573,600</b>

# 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, 2014

	General Fund	Adjustments	Statement of Activities
Expenditures/expenses			
Community development	\$ 120,115	\$ (44,854)	\$ 75,261
Debt service:			
Principal	18,327	(18,327)	-
Total expenditures/expenses	138,442	(63,181)	75,261
Program revenues			
Operating grants and contributions	6,841	-	6,841
Net program (expense) revenue	(131,601)	63,181	(68,420)
General revenues			
Property taxes	99,568	-	99,568
Other revenue	200	-	200
Investment earnings	1,223	-	1,223
Total general revenues	100,991	-	100,991
Net change in fund balance	(30,610)	30,610	-
Change in net position	-	32,571	32,571
Fund balance/net position, beginning of year	307,728	233,301	541,029
Fund balance/net position, end of year	\$ 277,118	\$ 296,482	\$ 573,600

# CITY OF YPSILANTI, MICHIGAN

## Statement of Net Position and Governmental Funds Balance Sheet

Economic Development Corporation

June 30, 2014

	General Fund	Adjustments	Statement of Net Position
<b>Assets</b>			
Cash and cash equivalents	\$ 207,664	\$ -	\$ 207,664
Prepaid items	356	-	356
Capital assets not being depreciated	-	53,200	53,200
<b>Total assets</b>	<u>\$ 208,020</u>	<u>53,200</u>	<u>261,220</u>
<b>Liabilities</b>			
Due to other governments	\$ 72,164	-	72,164
<b>Fund balances / net position</b>			
Unassigned	135,856	(135,856)	-
<b>Total liabilities and fund balances</b>	<u>\$ 208,020</u>		
<b>Net position</b>			
Investment in capital assets		53,200	53,200
Unrestricted		135,856	135,856
<b>Total net position</b>		<u>\$ 189,056</u>	<u>\$ 189,056</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, 2014

	General Fund	Adjustments	Statement of Activities
Expenditures/expenses			
Community development	\$ 1,248	\$ -	\$ 1,248
General revenues			
Investment earnings	922	-	922
Net changes in fund balances	(326)	326	-
Change in net position	-	(326)	(326)
Fund balance/net position, beginning of year	136,182	53,200	189,382
Fund balance/net position, end of year	<u>\$ 135,856</u>	<u>\$ 53,200</u>	<u>\$ 189,056</u>

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## 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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#### 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.

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#### 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.

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#### 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 Position by Component

Last Ten Years

*(accrual basis of accounting)*

	2005	2006	2007	2008
Governmental activities				
Net investment in				
capital assets	\$ 1,125,536	\$ 12,857,112	\$ 15,049,123	\$ 15,179,422
Restricted	6,452,591	9,093,066	7,108,155	10,909,451
Unrestricted (deficit)	<u>5,570,379</u>	<u>(10,295,576)</u>	<u>(7,045,772)</u>	<u>(9,406,528)</u>
Total governmental activities				
net position	<u>\$ 13,148,506</u>	<u>\$ 11,654,602</u>	<u>\$ 15,111,506</u>	<u>\$ 16,682,345</u>

Source: City of Ypsilanti Finance Department



2009	2010	2011	2012	2013	2014
\$ 15,117,105	\$ 14,987,983	\$ 16,952,331	\$ 16,911,390	\$ 15,636,305	\$ 16,524,392
10,406,691	10,975,911	11,357,896	11,083,068	7,631,866	4,545,511
(6,404,471)	(6,202,344)	(6,850,753)	(7,091,726)	(6,545,637)	(5,553,659)
<u>\$ 19,119,325</u>	<u>\$ 19,761,550</u>	<u>\$ 21,459,474</u>	<u>\$ 20,902,732</u>	<u>\$ 16,722,534</u>	<u>\$ 15,516,244</u>

# CITY OF YPSILANTI, MICHIGAN

## Changes in Net Position

Last Ten Years

(accrual basis of accounting)

	2005	2006	2007	2008
<b>Expenses</b>				
General government	\$ 1,532,445	\$ 1,679,364	\$ 2,021,481	\$ 2,212,245
Public safety	7,251,128	8,185,587	9,601,958	9,618,481
Public works	2,092,229	6,423,905	4,470,462	2,084,186
Highways, streets, and bridges	1,921,935	1,736,108	2,022,071	2,562,769
Culture and recreation	1,250,186	1,013,582	784,039	570,113
Community development	878,517	439,851	415,116	340,815
Public transportation	-	-	-	-
Interest on long-term debt	2,958,920	2,866,288	2,514,514	2,834,154
<b>Total expenses</b>	<b>17,885,360</b>	<b>22,344,685</b>	<b>21,829,641</b>	<b>20,222,763</b>
<b>Program revenues</b>				
Charges for services:				
General government	450,699	462,082	544,717	1,097,252
Public safety	420,034	570,059	499,197	720,555
Public works	714,187	538,989	516,539	-
Highways, streets and bridges	-	-	-	-
Culture and recreation	115,362	138,705	87,033	-
Community development	-	-	-	1,250
Operating grants and contributions	2,794,375	2,433,593	2,878,483	3,504,349
Capital grants and contributions	3,727,652	3,087,106	4,891,245	672,269
<b>Total program revenues</b>	<b>8,222,309</b>	<b>7,230,534</b>	<b>9,417,214</b>	<b>5,995,675</b>
<b>Net (expense) / revenue</b>	<b>(9,663,051)</b>	<b>(15,114,151)</b>	<b>(12,412,427)</b>	<b>(14,227,088)</b>
<b>General revenues</b>				
Property taxes	9,735,731	10,560,479	11,310,693	11,503,422
Unrestricted grants and contributions	3,375,034	3,338,792	3,276,430	3,070,879
Unrestricted investment earnings (loss)	1,121,441	(284,207)	1,118,294	1,223,621
Other general revenues	-	5,183	163,914	-
<b>Total general revenues</b>	<b>14,232,206</b>	<b>13,620,247</b>	<b>15,869,331</b>	<b>15,797,922</b>
<b>Special item</b>				
Change in fair value of land held for resale				
	-	-	-	-
<b>Change in net position</b>	<b>\$ 4,569,155</b>	<b>\$ (1,493,904)</b>	<b>\$ 3,456,904</b>	<b>\$ 1,570,834</b>

Source: City of Ypsilanti Finance Department

Table 2  
Unaudited

2009	2010	2011	2012	2013	2014
\$ 2,788,130	\$ 3,075,617	\$ 3,326,238	\$ 2,866,101	\$ 2,083,855	\$ 1,690,255
8,563,993	8,638,877	8,257,558	8,601,201	7,908,177	8,878,722
1,935,048	2,031,833	1,980,913	2,015,694	4,067,582	5,542,347
3,165,639	3,612,341	1,192,916	2,823,389	3,921,320	3,143,348
465,538	435,711	69,221	367,484	408,367	366,668
330,041	229,274	189,050	184,244	292,867	255,416
-	-	-	262,320	308,564	275,386
2,710,134	2,748,116	2,481,838	2,329,834	2,095,288	2,103,523
<u>19,958,523</u>	<u>20,771,769</u>	<u>17,497,734</u>	<u>19,450,267</u>	<u>21,086,020</u>	<u>22,255,665</u>
1,445,822	1,153,950	1,121,010	1,241,641	1,419,828	2,320,700
947,998	959,591	1,098,886	935,124	1,197,437	786,308
-	-	-	-	-	-
-	-	-	93,722	-	-
-	-	-	-	-	-
1,200	1,200	1,200	1,200	1,500	1,552
3,734,396	4,930,921	3,585,313	2,712,064	4,282,348	3,829,486
94,250	110,078	609,256	322,858	24,258	692,619
<u>6,223,666</u>	<u>7,155,740</u>	<u>6,415,665</u>	<u>5,306,609</u>	<u>6,925,371</u>	<u>7,630,665</u>
<u>(13,734,857)</u>	<u>(13,616,029)</u>	<u>(11,082,069)</u>	<u>(14,143,658)</u>	<u>(14,160,649)</u>	<u>(14,625,000)</u>
12,098,938	11,417,456	9,907,455	10,555,401	10,309,164	10,656,453
3,000,840	2,671,507	2,670,643	2,256,140	2,342,612	2,420,667
817,091	169,291	201,895	775,375	(13,260)	341,590
-	-	-	-	-	-
<u>15,916,869</u>	<u>14,258,254</u>	<u>12,779,993</u>	<u>13,586,916</u>	<u>12,638,516</u>	<u>13,418,710</u>
-	-	-	-	(1,995,335)	-
<u>\$ 2,182,012</u>	<u>\$ 642,225</u>	<u>\$ 1,697,924</u>	<u>\$ (556,742)</u>	<u>\$ (3,517,468)</u>	<u>\$ (1,206,290)</u>

# CITY OF YPSILANTI, MICHIGAN

## Fund Balances - Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2005	2006	2007	2008
General fund				
Nonspendable				
Committed				
Unassigned				
Reserved	\$ 99,780	\$ 99,518	\$ 311,238	\$ 284,902
Unreserved, designated	1,990,157	2,457,812	2,198,717	3,995,995
Unreserved, undesignated	1,586,873	1,670,594	3,078,083	2,969,171
<b>Total general fund</b>	<b>3,676,810</b>	<b>4,227,924</b>	<b>5,588,038</b>	<b>7,250,068</b>
All other governmental funds				
Nonspendable				
Restricted				
Committed				
Unassigned (deficit)				
Reserved	10,111,447	9,432,511	8,174,089	6,788,292
Unreserved, designated	-	-	429,428	609,332
Unreserved, undesignated				
reported in:				
Special revenue funds	4,183,232	3,370,274	1,826,258	1,858,287
Debt service funds	1,856,755	1,952,024	1,756,508	1,655,707
Capital projects funds	(769,583)	597,400	796,632	1,169,857
<b>Total all other governmental funds</b>	<b>15,381,851</b>	<b>15,352,209</b>	<b>12,982,915</b>	<b>12,081,475</b>
<b>Total governmental funds</b>	<b>\$ 19,058,661</b>	<b>\$ 19,580,133</b>	<b>\$ 18,570,953</b>	<b>\$ 19,331,543</b>

Source: City of Ypsilanti Finance Department

Table 3  
Unaudited

2009	2010	2011	2012	2013	2014
		\$ 269,199	\$ 344,707	\$ 329,819	\$ 348,324
		5,579,241	4,378,434	6,008,192	4,631,779
		3,545,913	3,936,006	2,201,556	2,968,262
\$ 208,839	\$ 206,175	-	-	-	-
6,312,543	6,820,988	-	-	-	-
2,947,235	2,436,793	-	-	-	-
<u>9,468,617</u>	<u>9,463,956</u>	<u>9,394,353</u>	<u>8,659,147</u>	<u>8,539,567</u>	<u>7,948,365</u>
		4,763,817	4,763,817	2,768,482	1,900,300
		5,671,778	4,869,060	5,327,431	3,069,197
		922,301	1,411,547	1,061,201	1,084,209
		-	(23,938)	(168,166)	1,832,262
6,620,715	6,302,934	-	-	-	-
609,332	309,560	-	-	-	-
		-	-	-	-
1,740,343	2,664,551	-	-	-	-
1,773,204	1,787,942	-	-	-	-
824,485	861,140	-	-	-	-
<u>11,568,079</u>	<u>11,926,127</u>	<u>11,357,896</u>	<u>11,020,486</u>	<u>8,988,948</u>	<u>7,885,968</u>
<u>\$ 21,036,696</u>	<u>\$ 21,390,083</u>	<u>\$ 20,752,249</u>	<u>\$ 19,679,633</u>	<u>\$ 17,528,515</u>	<u>\$ 15,834,333</u>

# CITY OF YPSILANTI, MICHIGAN

## Changes in Fund Balances - Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2005	2006	2007	2008
<b>Revenues</b>				
Taxes and special assessments	\$ 9,779,484	\$ 10,559,261	\$ 11,310,662	\$ 11,503,422
Licenses and permits	750,293	617,089	576,436	665,684
Intergovernmental	7,499,981	7,254,893	7,750,482	7,826,046
Charges for services	698,086	931,525	987,433	416,730
Fines and forfeits	225,384	362,432	297,667	394,089
Investment earnings	437,809	(297,092)	932,581	912,077
Other revenues	1,465,233	1,410,678	1,704,958	534,781
<b>Total revenues</b>	<b>20,856,270</b>	<b>20,838,786</b>	<b>23,560,219</b>	<b>22,252,829</b>
<b>Expenditures</b>				
General government	2,888,462	2,300,056	2,375,208	2,409,836
Public safety	7,121,191	8,114,602	9,811,440	8,744,920
Public works	6,969,115	2,659,544	1,954,923	997,305
Refuse collection	963,935	1,016,505	1,079,251	1,171,953
Highways, streets and bridges	1,232,042	1,180,647	1,814,492	1,973,109
Culture and recreation	302,147	206,698	162,189	446,196
Community development	215,156	214,575	179,915	178,636
Public transportation	-	-	-	-
Unallocated employee benefits	739,790	847,947	925,577	1,161,692
Tax tribunal refunds	-	-	-	-
Capital outlay	6,660,712	2,375,227	840,776	-
Debt service:				
Principal	1,718,202	2,299,949	2,665,245	2,501,875
Interest and fiscal charges	4,468,430	3,145,864	2,766,159	2,767,662
<b>Total expenditures</b>	<b>33,279,182</b>	<b>24,361,614</b>	<b>24,575,175</b>	<b>22,353,184</b>
Revenues over (under) expenditures	(12,422,912)	(3,522,828)	(1,014,956)	(100,355)
<b>Other financing sources (uses)</b>				
Transfers in	2,355,341	1,924,858	1,139,551	999,347
Transfers out	(2,373,144)	(1,924,858)	(1,189,551)	(899,683)
Issuance of debt	14,262,866	16,827,648	9,895,000	297,596
Bond premium (discount)	-	-	-	-
Payment to refunding escrow agent	(4,120,988)	(12,783,348)	(9,839,224)	-
<b>Total other financing sources (uses)</b>	<b>10,124,075</b>	<b>4,044,300</b>	<b>5,776</b>	<b>397,260</b>
Special item - change in market value of land held for resale	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ (2,298,837)</b>	<b>\$ 521,472</b>	<b>\$ (1,009,180)</b>	<b>\$ 296,905</b>
Debt service as a percentage of noncapital expenditures	23.2%	24.8%	22.6%	25.1%

Source: City of Ypsilanti Finance Department

Table 4  
Unaudited

2009	2010	2011	2012	2013	2014
\$ 12,098,938	\$ 11,417,456	\$ 9,907,455	\$ 10,555,401	\$ 10,309,164	\$ 10,656,453
657,459	530,812	666,586	734,250	748,417	648,881
7,667,265	7,880,092	8,369,061	6,678,576	7,112,100	6,851,138
582,283	533,974	542,669	448,341	733,730	417,906
445,965	475,530	597,265	516,393	499,099	414,468
743,107	35,676	165,346	413,204	(33,737)	182,666
840,477	716,969	541,067	680,652	671,558	1,710,943
<u>23,035,494</u>	<u>21,590,509</u>	<u>20,789,449</u>	<u>20,026,817</u>	<u>20,040,331</u>	<u>20,882,455</u>
2,170,189	2,127,907	2,433,291	2,141,990	2,214,452	2,287,975
8,431,824	8,182,781	8,326,438	8,093,201	7,264,800	7,806,628
1,194,766	912,196	848,754	788,210	2,085,725	3,597,878
1,184,977	1,078,414	1,065,037	1,041,143	1,112,773	1,017,678
1,691,811	1,540,487	1,592,516	1,740,226	1,806,267	1,476,912
358,179	457,372	348,756	300,134	284,251	1,136,746
146,167	544,408	498,817	75,033	92,208	32,448
226,756	158,967	218,000	262,183	308,175	274,846
1,188,986	964,144	878,085	950,627	1,043,139	928,133
-	-	-	397,353	13,735	12,712
-	-	-	-	-	-
2,627,079	2,738,504	2,970,000	3,175,000	3,340,000	3,535,000
2,692,892	2,705,052	2,561,716	2,326,442	2,204,172	2,157,920
<u>21,913,626</u>	<u>21,410,232</u>	<u>21,741,410</u>	<u>21,291,542</u>	<u>21,769,697</u>	<u>24,264,876</u>
<u>1,121,868</u>	<u>180,277</u>	<u>(951,961)</u>	<u>(1,264,725)</u>	<u>(1,729,366)</u>	<u>(3,382,421)</u>
1,219,140	2,300,123	1,639,043	2,122,966	6,759,280	4,928,666
(1,187,059)	(2,214,414)	(1,431,863)	(1,930,857)	(6,470,040)	(4,717,299)
503,958	87,401	3,856,253	-	5,372,551	8,993,185
-	-	-	-	(83,208)	433,687
-	-	(3,749,306)	-	(4,005,000)	(7,950,000)
<u>536,039</u>	<u>173,110</u>	<u>314,127</u>	<u>192,109</u>	<u>1,573,583</u>	<u>1,688,239</u>
-	-	-	-	(1,995,335)	-
<u>\$ 1,657,907</u>	<u>\$ 353,387</u>	<u>\$ (637,834)</u>	<u>\$ (1,072,616)</u>	<u>\$ (2,151,118)</u>	<u>\$ (1,694,182)</u>
<u>25.2%</u>	<u>25.8%</u>	<u>29.9%</u>	<u>27.7%</u>	<u>26.3%</u>	<u>25.4%</u>

**Assessed and Taxable Value of Property**  
 Last Ten Years

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	
2013	2014	\$271,120,783	\$283,777,190	\$ 18,493,812	\$ 18,493,812	\$289,614,595	\$302,271,002	36.4947
2012	2013	273,316,097	283,284,181	17,413,000	17,413,000	290,729,097	300,697,181	35.2060
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

(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
2014	36.4947	25.0000	6.0000	3.9745	5.7801	3.4576	2.8102	65.5171	83.5171
2013	35.2060	25.0000	6.0000	3.9745	5.7654	3.6376	2.7845	64.3680	82.3680
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

Components of City Millage Rate							
Fiscal Year Ended June 30,	General Operating	Sanitation	Streets	Public Transport	Police and Fire Pension	YCUA Debt	Total
2014	19.0211	2.7814	4.7904	0.97890	8.9229	-	36.4947
2013	19.0211	2.7814	5.0243	0.97890	7.4003	-	35.2060
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

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

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

Taxpayer	2014			2004		
	Taxable Value	Rank	Percent of Total Taxable Value	Taxable Value	Rank	Percent of Total Taxable Value
Leforge Station II, LLC	\$ 5,132,200	1	1.89%	\$ -	-	-
DTE- Detroit Edison	3,360,000	2	1.24%	4,371,700	2	1.46%
River Drive Apartments	2,921,400	3	1.08%	3,582,470	3	1.20%
Barnes & Barnes Properties, LLC	2,917,824	4	1.08%	-	-	-
Michigan Consolidated Gas Company	2,900,200	5	1.07%	-	-	-
Forest Knoll Apartments	1,848,700	6	0.68%	-	-	-
Khailany Asad	1,811,105	7	0.67%	-	-	-
Fhmc Real Estate, LLC	1,730,486	8	0.64%	-	-	-
Beal Properties, LLC	1,586,891	9	0.59%	-	-	-
Huron View Properties, LLC	1,460,100	10	0.54%	-	-	-
Visteon Corporation	-	-	-	30,482,781	1	10.17%
Forest Health Services, LLC	-	-	-	3,255,000	4	1.09%
DTE- Mich Con	-	-	-	3,157,400	5	1.05%
Aces Held, LLC	-	-	-	2,488,400	6	0.83%
Chatham Capital Corporation	-	-	-	2,218,200	7	0.74%
Barnes & Barnes Properties, LLC	-	-	-	2,184,442	8	0.73%
Ave Maria College	-	-	-	2,022,117	9	0.67%
Riverside Apartments LLC	-	-	-	1,996,703	10	0.67%
	<u>\$25,668,906</u>		<u>9.47%</u>	<u>\$55,759,213</u>		<u>18.60%</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
2014	\$ 8,066,559	\$ 7,417,171	91.9%	\$ 589,092	\$ 8,006,263	99.3%
2013	7,604,343	6,860,589	90.2%	708,138	7,568,727	99.5%
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%

(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

	2005	2006	2007	2008
Governmental activities				
General obligation bonds	\$ 27,715,000	\$ 29,525,000	\$ 28,660,000	\$ 27,750,000
Revenue bonds	38,825,827	38,003,306	36,945,000	35,797,596
Installment obligations	3,248,526	3,688,747	3,546,808	3,399,933
Amounts available in debt service funds	(1,856,755)	(1,952,024)	(1,756,508)	(1,655,707)
Total outstanding debt	<u>\$ 67,932,598</u>	<u>\$ 69,265,029</u>	<u>\$ 67,395,300</u>	<u>\$ 65,291,822</u>
Total taxable value	\$ 346,038,615	\$ 359,195,156	\$ 396,065,501	\$ 413,729,543
Ratio of total debt to taxable value	19.63%	19.28%	17.02%	15.78%
Total population	21,949	21,767	21,827	20,849
Total debt per capita	\$ 3,095	\$ 3,182	\$ 3,088	\$ 3,132
% of personal income	8.10%	8.23%	7.74%	7.66%
Personal income	\$ 838,693	\$ 841,991	\$ 870,723	\$ 852,828

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

2009	2010	2011	2012	2013	2014
\$ 26,800,000	\$ 25,805,000	\$ 24,560,000	\$ 23,080,000	\$ 21,640,000	\$ 19,925,000
34,776,554	33,277,955	31,616,984	29,921,984	29,389,535	28,612,720
3,247,854	3,090,350	3,090,350	3,090,350	3,090,350	3,090,350
(1,773,204)	(1,787,942)	(1,766,812)	(1,744,330)	(1,788,071)	(156,184)
<u>\$ 63,051,204</u>	<u>\$ 60,385,363</u>	<u>\$ 57,500,522</u>	<u>\$ 54,348,004</u>	<u>\$ 52,331,814</u>	<u>\$ 51,471,886</u>
\$ 402,643,702	\$ 370,475,911	\$ 329,993,209	\$ 309,194,034	\$ 290,729,097	\$ 289,614,595
15.66%	16.30%	17.42%	17.58%	18.00%	17.77%
20,437	19,201	19,435	19,375	19,621	20,142
\$ 3,085	\$ 3,145	\$ 2,959	\$ 2,811	\$ 2,667	\$ 2,487
7.54%	7.69%	7.69%	7.43%	6.53%	5.92%
\$ 835,975	\$ 785,417	\$ 735,790	\$ 733,518	\$ 800,948	\$ 870,175

**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
2014	\$ 19,925,000	\$ -	\$ 19,925,000	6.88%	\$ 989
2013	21,640,000	1,788,071	19,851,929	6.83%	1,012
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

Source: City of Ypsilanti Finance Department

**Computation of Net Direct and Overlapping Debt**  
June 30, 2014

	Gross Amount Outstanding	Self-Supporting or Paid by Benefited Government	Net Amount Outstanding
Direct debt			
General obligation bonds	\$ 19,925,000	\$ -	\$ 19,925,000
General obligation bonds - DDA	670,000	670,000	-
Revenue bonds - YCUA (2)	28,612,720	28,612,720	-
Revenue bonds - Depot Town DDA	26,259	26,259	-
Installment obligations	3,090,350	-	3,090,350
Total direct debt	<u>\$ 52,324,329</u>	<u>\$ 29,308,979</u>	<u>23,015,350</u>

	Net Debt Outstanding	Percentage Applicable to City of Ypsilanti	Share Applicable to City of Ypsilanti
Overlapping debt			
Ypsilanti School District	\$ 80,759,000	100.00%	\$ 26,989,657
Washtenaw County	1,586,648	100.00%	1,791,043
Washtenaw Community College	327,399	100.00%	361,674
Ypsilanti District Library	997,299	100.00%	1,157,166
Total overlapping debt	<u>83,670,346</u>		<u>30,299,540</u>
Total direct and overlapping debt			<u>\$ 53,314,890</u>

(1) Overlapping debt is calculated for an entity, based upon assessed values received from the State of Michigan, which determines the issuer's proportionate share of the debt of other local governmental units that either overlap it (the issuer is located either wholly or partly within the geographic limits of the other units) or underlie it (the other units are located within the geographic limits of the issuer). The debt is apportioned based upon relative assessed values.

(2) These revenue bonds are being repaid from the revenue stream of another government; in this case, Ypsilanti Community Utilities Authority (YCUA) which is a joint venture that the City of Ypsilanti participates in as described in Notes 12 and 19 of the notes to the financial statements.

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 2014	
Assessed value (state equalized value)	<u>\$ 302,271,002</u>
Debt limit (10% of assessed value)	<u>\$ 30,227,100</u>
Net debt subject to limitation:	
General obligation bonds	19,925,000
Less unspent bond proceeds in 2013 revenue refunding bonds fund	(1,820,730)
Less amounts available for repayment of general obligation bonds	<u>(156,184)</u>
	<u>17,948,086</u>
Legal debt margin	<u>\$ 12,279,014</u>

	Debt Limit	Net Debt Applicable to Limit	Legal Debt Margin	Ratio
2014	\$ 30,227,100	\$ 17,948,086	\$ 12,279,014	59.38%
2013	30,069,718	19,851,929	10,217,789	66.02%
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%

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
2013	\$ 34,042,779	\$ 27,922,287	\$ 6,120,492	\$ 5,844,681	104.7%
2012	34,764,666	27,565,394	7,199,272	4,509,206	159.7%
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	93.7%
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	193.8%
2006	33,818,172	25,512,868	8,305,304	6,534,757	127.1%
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%

Source: Ypsilanti Community Utilities Authority comprehensive annual financial report.

(Note: YCUA is on a August 31 fiscal year end; as such, the 2014 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
2014	20,142	\$ 870,175	\$ 43,202	4,148	6.3%
2013	19,621	800,948	40,821	4,525	7.6%
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%

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;  
<http://www.semco.org/Data/Apps/comprof/people.cfm?cpid=4130>
- (2) Estimate from U.S. Department of Commerce, Bureau of Economic Analysis. (2013/14 data is not available, so used year 2012 data for washtenaw county). (Total personal income=population \* per  
<http://www.bea.gov/iTable/iTable.cfm?reqid=70&step=1&isuri=1&acrdn=5#reqid=70&step=27&isuri=1&7>
- (3) Data from Ypsilanti Community Schools  
[http://www.mlive.com/news/ann-arbor/index.ssf/2013/09/enrollment\\_in\\_ypsilanti\\_commun.html](http://www.mlive.com/news/ann-arbor/index.ssf/2013/09/enrollment_in_ypsilanti_commun.html)
- (4) Labor market information at Michigan.gov (for Ann Arbor, MI Metropolitan Statistical Area)  
[http://ycharts.com/indicators/ypsilanti\\_mi\\_unemployment\\_rate](http://ycharts.com/indicators/ypsilanti_mi_unemployment_rate)

**Principal Employers**  
Current Year and Nine Years Ago

Employer	2014			2005		
	Employees	Rank	% of Workforce	Employees	Rank	% of Workforce
Eastern Michigan University	2,050	1	18.64%	2,114	2	16.91%
Washtenaw County	1,310	2	11.91%	1,300	3	10.40%
Ypsilanti Public Schools	540	3	4.91%	700	4	5.60%
Bortz Health Care of Ypsilanti	145	4	1.32%	140	7	1.12%
Marsh Plating & Finishing Services	100	5	0.91%	87	9	0.70%
City of Ypsilanti	90	6	0.82%	129	8	1.03%
Forest Health Services	80	7	0.73%	375	5	3.00%
Gene Butman Ford	65	8	0.59%	60	11	0.48%
Fischer Honda	47	9	0.43%	80	10	0.64%
Walgreens	25	10	0.23%	20	13	0.16%
Ford Motor Company	-		-	2,273	1	18.18%
Exemplar Manufacturing	-		-	147	6	1.18%
	<u>4,452</u>		<u>40.47%</u>	<u>7,425</u>		<u>59.40%</u>

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

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**Employees by Department**  
Last Ten Years

Function/Program	Full-time Equivalent Employees as of June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Mayor and City Council	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
<b>Administrative services</b>										
City Manager (172)	2.00	2.50	2.00	2.10	1.85	1.85	1.85	1.85	1.85	2.60
Human Resources (226)	2.00	2.00	1.80	1.90	1.55	1.55	1.55	1.55	1.55	1.30
Ordinance Enforcement (341)	1.00	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50	1.70
Building Inspection (371)	5.00	5.00	5.00	5.00	5.25	3.75	3.58	3.35	3.25	2.20
Planning & Development (801)	5.00	4.50	3.50	3.40	1.65	1.65	1.65	2.38	2.38	2.13
Recreation (707)	1.00	-	-	-	-	-	-	-	-	-
	16.00	15.00	13.30	13.40	11.30	9.30	9.13	9.63	9.53	9.93
<b>Citizen services</b>										
Voters Registration, school and county election (191)	2.00	1.00	1.00	-	-	-	-	-	-	-
City Clerk (215)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.95	1.95	1.95
City Treasurer (253)	2.00	2.00	1.80	1.50	1.50	1.50	1.34	1.34	1.34	1.34
	6.00	5.00	4.80	3.50	3.50	3.50	3.34	3.29	3.29	3.29
<b>Administrative Hearing Bureau</b>	-	-	-	-	-	-	-	0.10	0.10	0.15
<b>Fire services</b>										
Administration (337)	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00
Suppression (339)	21.00	21.00	21.00	23.00	21.00	21.00	19.00	18.50	16.00	16.00
	23.00	23.00	23.00	25.00	22.00	22.00	20.00	19.50	17.00	17.00
<b>Fiscal services</b>										
Finance - Accounting (201)	3.00	3.00	2.70	3.20	3.20	3.20	3.03	3.03	3.03	3.03
Finance - Assessor (209)	2.00	2.00	2.00	1.00	1.00	1.00	1.00	0.93	0.33	0.33
	5.00	5.00	4.70	4.20	4.20	4.20	4.03	3.96	3.36	3.36
<b>Police services</b>										
Administration (305)	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Field Services (307)	42.00	42.00	40.00	41.00	37.00	38.40	28.00	28.00	24.00	28.26
COPS Grant	-	-	-	-	-	-	3.00	3.00	2.00	2.00
Parking Enforcement (311)	6.00	6.00	6.00	4.00	2.00	2.00	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	-	-	-
	53.00	53.00	51.00	49.00	43.00	44.40	37.00	36.00	31.00	35.26
<b>Public services</b>										
Parks, streets, building, parking lots, and garbage collection	22.00	23.00	22.00	21.75	19.00	17.00	17.00	17.00	17.00	17.00
Administration (441)	3.75	3.75	3.75	4.00	3.75	3.75	3.88	3.88	3.81	3.88
	25.75	26.75	25.75	25.75	22.75	20.75	20.88	20.88	20.81	20.88
<b>Total full-time employees</b>	<b>128.75</b>	<b>127.75</b>	<b>122.55</b>	<b>120.85</b>	<b>106.75</b>	<b>104.15</b>	<b>94.38</b>	<b>93.36</b>	<b>85.09</b>	<b>89.87</b>
<b>Total council and full-time employees</b>	<b>135.75</b>	<b>134.75</b>	<b>129.55</b>	<b>127.85</b>	<b>113.75</b>	<b>111.15</b>	<b>101.38</b>	<b>100.36</b>	<b>92.09</b>	<b>96.87</b>

Source: City of Ypsilanti Finance Department

# CITY OF YPSILANTI, MICHIGAN

## Operating Indicators by Function/Program

Last Ten Years

Function/Program	2005	2006	2007	2008
<b>Public Safety</b>				
Police services				
Number of uniform crime reporting	3,946	4,171	4,524	3,087
Number of traffic violations	3,492	3,275	3,269	3,538
Number of arrests	1,327	1,479	1,818	1,484
Number of parking violations	16,954	14,851	11,369	6,818
Fire services				
Number of calls answered	511	478	511	402
Number of inspections conducted	778	785	980	996
<b>Public Services</b>				
Miles of local streets maintained	20.56	20.56	21.22	21.22
Miles of major streets maintained	33.18	33.18	32.52	32.52
<b>Public Utilities</b>				
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

2009	2010	2011	2012	2013	2014
3,349	3,295	1,936	2,983	2,913	3,179
7,502	8,458	3,253	3,609	3,024	3,528
2,015	1,864	1,738	1,715	1,698	1,939
9,654	9,611	9,880	10,593	9,223	2,975
553	566	564	600	639	690
1,396	1,464	1,588	400	384	264
21.22	21.22	21.22	21.22	21.22	21.22
32.44	32.44	32.44	32.44	32.44	32.44
53.74	53.74	53.74	58.66	58.66	58.66
663	663	663	663	663	663

CITY OF YPSILANTI, MICHIGAN

Table 18  
Unaudited

**Capital Asset Statistics by Function/Program**  
Last Ten Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Police Services</b>										
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	13	12	12	10	10	10	10	9	9	9
Unmarked police vehicles	8	7	7	7	6	6	7	7	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	1	1
<b>Fire Services</b>										
Emergency services building	1	1	1	1	1	1	1	1	1	1
Vehicle units:										
Pumper truck	3	2	2	2	2	2	2	2	2	2
Pumper ladder truck	2	1	1	1	1	1	1	1	1	1
Rescue truck	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	-	-	-	-	-	-	-
Pickup truck	1	1	1	1	1	1	1	2	2	2
Utility van	1	1	1	1	1	1	1	-	-	-
<b>Administrative Services</b>										
Crown Victoria - CH	2	2	2	2	1	1	1	1	1	-
Impala	-	-	-	-	-	-	1	1	1	1
Taurus - CM	-	-	-	-	1	1	1	1	1	1
Building enforcement vehicles	4	4	4	4	2	2	3	3	3	3
<b>Public Services</b>										
Passenger										
Crown Victoria	2	2	2	2	3	4	3	2	2	1
Escape	-	-	-	-	-	-	1	1	1	1
Van	2	2	2	2	1	1	1	-	-	-
Van with Aerial Lift	-	-	-	-	1	1	1	1	1	-
Trucks:										
Pick-up	9	9	9	9	8	9	8	7	7	5
with Aerial Lift	-	-	-	-	3	3	3	1	1	2
Dump	9	9	9	9	9	9	10	11	11	9
with Grapple	-	-	-	-	1	1	1	1	1	1
Stake	7	7	7	7	6	6	6	6	6	3
with Aerial Lift	2	2	2	2	-	-	-	1	1	1
Recycle Truck	1	1	1	1	1	1	1	-	-	-
Packer Truck	3	3	3	3	4	4	4	4	4	3
Brush Chipper	2	2	2	2	3	3	1	1	1	1

**Capital Asset Statistics by Function/Program**  
Last Ten Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Tractors:										
with Front Loader	2	2	2	2	2	2	2	1	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	-
with Drawn Rake	1	1	1	1	1	1	1	1	1	-
with Salt Spreader & Snow Plow	-	-	-	-	1	1	1	1	1	1
Garden	9	9	9	9	9	9	9	7	7	6
Wide Area Mower	-	-	-	-	1	1	1	1	1	1
Loader with Bucket	2	2	2	2	3	3	3	3	3	2
Rear Loader	-	-	-	-	-	-	1	1	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	2	2
Snow Blower	4	4	4	4	4	4	4	4	4	3
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	-	-	-	-
Trailer	3	3	3	3	4	4	4	4	4	4
Sign Driver	-	-	-	-	-	-	1	1	1	1
Auger	2	2	2	2	2	2	2	2	2	2
Street Sweeper	2	2	2	2	2	2	2	3	3	2
Compactor	1	1	1	1	1	1	1	1	1	1
Cement Mixer	2	2	2	2	2	2	1	1	1	1
Bituminous	1	1	1	1	1	1	1	1	1	1
Hyd. Sewer Cleaner	2	2	2	2	2	2	1	1	1	1
Compressor	1	1	1	1	1	1	-	-	-	2
Concrete Pavement Saw	2	2	2	2	2	2	2	2	2	2
Parking Lot Plow	-	-	-	-	-	-	-	-	-	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	11	11	11	11
Weed Eater (brush cutter)	-	-	-	-	-	-	-	1	1	1
Rotary Lawn Mower	1	1	1	1	2	2	2	2	2	1
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	2	2	2	2	1
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	12	12	12	12
Power Pruner	3	3	3	3	4	4	3	3	3	3
Stump Cutter	1	1	1	1	1	1	-	-	-	-
Chipper Box	1	1	1	1	1	1	1	1	1	-

**Capital Asset Statistics by Function/Program**  
Last Ten Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Fork Lift	1	1	1	1	1	1	1	1	1	1
Roller	1	1	1	1	1	1	1	1	1	1
Pressure Washer	1	1	1	1	1	1	1	1	1	1
Portable Space Heater	1	1	1	1	1	1	1	1	1	1
Power MIG 255	1	1	1	1	1	1	1	1	1	1
Precision TIG 275	1	1	1	1	1	1	1	1	1	1
Row Boat	1	1	1	1	1	1	1	1	1	1
Sandblaster	-	-	-	-	-	1	1	1	1	1
Weed Eater/Hedge Trimmer	-	-	-	-	-	-	-	1	1	1
Edger/Trimmer/Weed Eater	-	-	-	-	-	-	-	-	-	1
<b>Parks &amp; Recreation</b>										
Parks:										
Active	8	8	8	8	8	8	8	8	8	8
Inactive	2	2	2	2	1	1	1	1	1	1
Tot Lots	2	2	2	2	3	3	3	3	3	3
Park acreage:										
Active parks	81	81	81	81	81	81	81	81	81	81
Inactive	4	4	4	4	2	2	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	-
Pavilions	8	8	8	8	8	9	9	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	-	-	1	1	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	-	-	-	-	-	-
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

**Capital Asset Statistics by Function/Program**  
Last Ten Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Picnic</b>										
Candy Cane Park	1	1	1	1	1	1	1	1	1	1
Edith Hefley Park	1	1	1	1	1	1	1	-	-	-
Frog Island Park	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
<b>Pavilions</b>										
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
Parkridge Park Community Center	1	1	1	1	1	1	1	1	1	1
Riverside Park	1	1	1	1	1	2	2	2	2	2
Peninsular Park	1	1	1	1	1	1	1	1	1	1
<b>City Attractions</b>										
Eastern Michigan Campus	1	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	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	-	-	-
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, 2014

Type of Coverage Name of	Policy Period	Premium	Description
Michigan Municipal League Liability and Property Pool	8/01/13 - 8/01/14	\$ 270,367	Covers general liability, police professional liability and public officials errors & omissions. Limit of liability \$2,000,000.
Michigan Municipal League Liability and Property Pool	8/01/13 - 8/01/14	51,556	Covers equipment and automobiles.
Michigan Municipal League Liability and Property Pool	8/01/13 - 8/01/14	20,682	Covers buildings and attached property.
Meadowbrook Insurance Group	8/30/13 - 8/30/14	2,903	Covers commercial storage tank
Blue Cross - Blue Shield, Assurant, EHIM, Fort Dearborn, MECA, UNUM	7/01/13 - 6/30/14	2,110,680	Employee and retiree benefits: health, dental, prescription, life, vision and long-term disability.
Comp One Administrator and Accident Fund	7/01/13 - 6/30/14	250,677	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