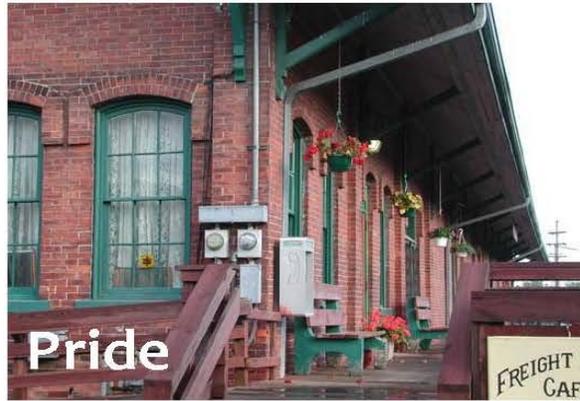


# YPSILANTI

MICHIGAN



## Community Impact Comprehensive Annual Financial Report Year Ended June 30, 2015

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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, 2015

Prepared by:

Marilou Uy, Director of Fiscal Services  
Rheagan Basabica, Accountant II

# CITY OF YPSILANTI, MICHIGAN

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# CITY OF YPSILANTI, MICHIGAN

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#### Statistical Section (Unaudited)

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## INTRODUCTORY SECTION

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**City of Ypsilanti**

Finance Department  
Accounting Division

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December 14, 2015

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, 2015. 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 & Sewer pump improvements and Water main replacement from Capitalization grants, from Clean Water State Revolving Funds; CDBG pass-through Washtenaw County for ADA Ramps and Senior Center Improvements; Community Challenge Planning for Master Plan, River's Edge Linear Park, Ypsilanti Heritage Bridge, Special Program for Aging Title III, part C from Department Health & Human Services, Priority Road Investment Project from MDOT to reconstruct Prospect Road, Assistance to Firefighters Grant, 2014 Bulletproof Vest Program, LAWNET, and 2015 JAG projects for body camera.

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, 2015. 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 6.6% percent, which is above the state average (at July 2015, 5.3 percent) and above the national average of 5.3 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 19,435 according to the 2010 US Census. This is a decline from the census of 2000, which showed a population of 22,237.

The City's State Equalized Value has decreased 31.01% compared to ten years ago. The City's Total Equalized Value of taxable property for tax year 2015 is approximately \$331 million, an increase of about \$19.2 million, or roughly 6.17% of the prior year.

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

### Long-term Financial Planning

The City Council and City Manager believe long-term financial planning is essential to ensuring the City's fiscal health. Starting in 2001, the City faced declining revenues and began its cost reduction strategy by deferring capital projects and equipment purchases. This effort continued during 2002 when the Recreation Department was eliminated and other positions and departments were combined. Further staff reductions were implemented during 2008. During fiscal year 2003, the City had a high point of 139.75 full time employees (FTE's). This number has now decreased to 90.27 FTE's for fiscal year 2015.

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 formulate 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 five (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 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. In 2006, the City refunded four bonds and combined them into a \$15.74 million bond called 2006 Capital Improvement Refunding Taxable Bonds. Originally, debt retirement was to be paid for by capturing tax increment financing from new development, but there were no development as anticipated in the Water Street Re-development area so the City used General Fund committed fund balance to pay the annual debt payments until TIF capture or revenue from the sale of land is available. The City plans to refinance the unpaid balance of \$13.245 Million in the spring of 2016. The City has successfully committed \$1.9 million in fund balance for the annual debt service of the bonds. The plan is to reduce the debt to \$9 million, from \$1.4 million to \$ 800,000 annually starting in 2017, which will result in the reduction of debt payments.

The City continues to face escalating financial challenges with increasing costs of employee benefits, particularly for medical and prescription drugs. Starting in January 2016, the City will offer a high deductible \$2,000/\$4,000 Health Care Insurance plans for all eligible participating employees and retirees, along with the Health Savings Account contributions and Wellness program. The City also faces mounting pension and other post-employment benefits costs for current and retired employees. This year, the City's required contribution to the Fire and Police pension plan starting FY 2017 increased based on the June 30, 2015 actuarial report. The OPEB required contribution starting in FY 2017 also increased based on the actuarial report. The slight increase revenue and 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 opened in June 2015. 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 River's Edge Linear Park and Trail and the Ypsilanti Heritage Bridge. Both projects broke ground in August, started construction and are expected to be completed in the spring of 2016. 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, which was completed in September 2015. The reconstruction of Adams Street between Pearl and Cross was completed the end of October 2015. The cost of this project was 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.

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 is still ongoing with some retrofits to be completed in the Police Department, DPS, and walkway in Depot Town. 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.

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 businesses looking 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 October 2013. The zoning ordinance was also revised and adopted in December 2014 with City Council approval.

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 Rehmann Robson. I wish to express my appreciation and acknowledge those who assisted and contributed to the preparation of this report: Marilou Uy, Rheagan Basabica, Kimberly Jones, Yan Li, and the interns from the Fiscal Services Department, and Bonnie Wessler and Nan Schuette, in the Planning Department.

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  
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Presented to

**City of Ypsilanti  
Michigan**

For its Comprehensive Annual  
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for the Fiscal Year Ended

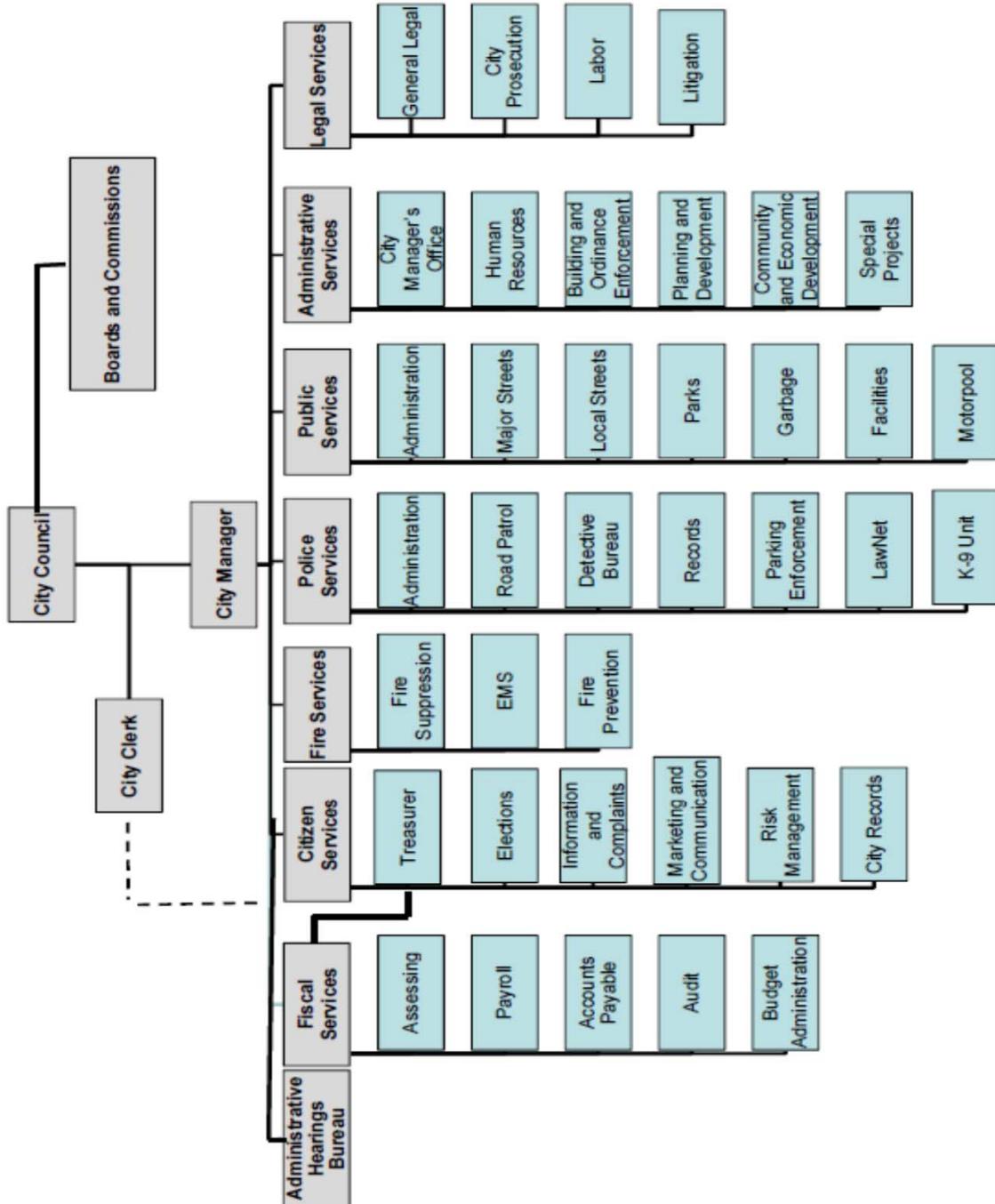
**June 30, 2014**

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

Executive Director/CEO

# CITY OF YPSILANTI, MICHIGAN

## Table of Organization



# CITY OF YPSILANTI, MICHIGAN

## ELECTED OFFICERS

### CITY COUNCIL

Amanda Edmonds  
*Mayor*

Lois Richardson  
*Mayor Pro-Tem*

Nicole Brown  
Peter Murdock  
Anne Brown

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*

Beth Emat  
*Economic Development Director*

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## 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



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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, 2015, 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, 2015, 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***

As discussed in Note 21 to the financial statements, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, during the year. As a result, the financial statements now recognize the City's unfunded defined pension benefit obligation as a liability for the first time and more comprehensively and comparably measures the annual costs of pension benefits. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). 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 14, 2015, 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 14, 2015

## 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, 2015. 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, 2015.

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$6,849,504 (net positions). This amount is net of a deficit of \$15,426,971 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 \$8,666,740 including the restatement for GASB 68 of \$8,483,093.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$16,816,845, an increase of \$982,512 over the prior year. Approximately 14.8 percent of this total amount, or \$2,495,896 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 \$2,530,473 or 18.3% of total general fund expenditures and other financing uses.
- The City total bonded debt decreased by \$3,449,337 during the current year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net 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.

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.

# CITY OF YPSILANTI, MICHIGAN

## Management's Discussion and Analysis

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 25 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, major streets special revenue fund, and 2006 general obligation debt service fund, which are considered to be major funds. Data from the other 22 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.

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

# CITY OF YPSILANTI, MICHIGAN

## Management's Discussion and Analysis

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 position 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 \$6,849,504 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 2015 and compared to the prior fiscal year):

	Net Position	
	Governmental Activities	
	2015	2014
Assets		
Current and other assets	\$52,254,224	\$48,532,253
Capital assets	21,568,481	22,504,392
<b>Total assets</b>	<b>73,822,705</b>	<b>71,036,645</b>
Deferred outflows of resources	2,417,630	66,566
Liabilities		
Long-term liabilities outstanding	49,619,952	52,984,062
Other liabilities	19,770,879	2,602,905
<b>Total liabilities</b>	<b>69,390,831</b>	<b>55,586,967</b>
Net position		
Net investment in capital assets	16,749,695	16,524,392
Restricted	5,526,780	4,545,511
Unrestricted (deficit)	(15,426,971)	(5,553,659)
<b>Total net position</b>	<b>\$ 6,849,504</b>	<b>\$15,516,244</b>

By far the largest portion of the City's net position (244.5% or \$16,749,695) 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.

# CITY OF YPSILANTI, MICHIGAN

## Management's Discussion and Analysis

Additionally, a portion of the City's net position (80.7% or \$5,526,780) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (a deficit of \$15,426,971) represents the extent to which accrual basis non-capital liabilities exceed assets after taking into account restrictions.

	Changes in Net Position	
	Governmental Activities	
	2015	2014
Revenue		
Program revenue:		
Charges for services	\$ 2,503,629	\$ 3,108,560
Operating grants and contributions	4,697,877	3,829,486
Capital grants and contributions	176,177	692,619
General revenue:		
Property taxes	10,606,608	10,656,453
Grants and contributions not restricted to specific programs	2,483,001	2,420,667
Other	368,451	341,590
<b>Total revenue</b>	<b>20,835,743</b>	<b>21,049,375</b>
Expenses		
General government	2,894,307	1,690,255
Public safety	9,667,739	8,878,722
Public works	1,815,800	5,542,347
Highways, streets and bridges	3,732,864	3,143,348
Culture and recreation	419,667	366,668
Community development	361,966	255,416
Public transportation	268,428	275,386
Interest on long-term debt	1,858,619	2,103,523
<b>Total expenses</b>	<b>21,019,390</b>	<b>22,255,665</b>
<b>Change in net position</b>	<b>(183,647)</b>	<b>(1,206,290)</b>
Net position:		
Beginning of year, as previously stated	15,516,244	16,722,534
Restatement for GASB 68	(8,483,093)	-
<b>End of year</b>	<b>\$ 6,849,504</b>	<b>\$15,516,244</b>

The City's total net position decreased by 1.2% from the prior year before the restatement to implement GASB Statement No. 68.

### 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.

# CITY OF YPSILANTI, MICHIGAN

## Management's Discussion and Analysis

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 \$16,816,845, an increase of \$982,512 from the prior year. Approximately 14.8% of this total amount (or \$2,495,896) constitutes unassigned fund balance, which is available for spending at the government's discretion. Of the remainder, \$2,328,233 represents nonspendable fund balance, \$5,979,102 is restricted and \$6,013,614 is committed.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance for the general fund was \$8,184,181. Of this amount \$393,356 represents inventory, prepaid items and land held for resale rendering it nonspendable, and \$5,260,352 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; \$2,530,473 of the general fund's fund balance is unassigned, which represents 18.3% of total general fund expenditures and other financing uses. Overall, the fund balance of the general fund increased by \$235,816 for the year, which was \$535,208 less of a decrease than budgeted.

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

- In total, general fund expenditures were \$433,057 under budget. This included significant amounts under budget for fire (\$155,325), police (68,238), public building maintenance (\$61,984), litigation and appeal (\$37,774), building inspection and ordinance enforcement (\$21,683), and public works (\$37,816). The primary reasons for these departments finishing under budget were due to the timing on certain projects.
- Compared to the prior year actuals, general fund revenue was up by \$42,040. The increases included Safer grant (\$323,671), collection of promissory note (\$120,000), licenses and permits (\$111,731), and school liaison and DDA policing reimbursements (\$75,176). The decreases include: transfer from drug forfeiture (\$100,000), and Rutherford pool grant (\$475,940).

The major streets special revenue fund had an ending fund balance of \$1,913,082, an increase of \$877,810, of which \$769,472 was the balance from the Priority Roads Investment Program received from the State of Michigan to reconstruct prospect street between Holmes to Grove streets.

The 2006 general obligation fund had an ending fund balance of \$2,077,722, 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 \$.5 million and was primarily due reduction in personnel cost for hiring from tier 1 to tier 2 employees. 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 \$742,155 more than the original budget due to the early collection of promissory note (\$120,000), increase collection of ordinance fines and costs (\$95,000), increase collection of cost reimbursements (\$72,000), increase building permits collection (\$167,200), and other increases across various departments.

# CITY OF YPSILANTI, MICHIGAN

## Management's Discussion and Analysis

### Capital Assets and Debt Administration

*Capital Assets.* At the end of fiscal 2015, the City had \$21,568,481 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	
	2015	2014
Land	\$ 1,414,849	\$ 1,373,105
Infrastructure	13,836,012	15,005,856
Buildings and improvements	4,207,751	4,451,215
Vehicles and equipment	2,038,475	1,563,748
Construction in progress	71,394	110,468
<b>Total</b>	<b><u>\$21,568,481</u></b>	<b><u>\$22,504,392</u></b>

Major capital asset events during the current fiscal year included:

- The purchase of various vehicles (four dump trucks, a wheel loader, two police cars and two other cars) along with truckports for certain of those vehicles.
- Reconstruction of Prospect Road from Holmes to Grove (\$1.9 million) 60% completed.
- The City purchased police body cameras.
- Solar panels were installed at public works, Senior Center and Parkridge Community center from an anonymous donor (\$48,096).
- Construction of the Water Street section of the Border to Border trail and Heritage Bridge. Focus is on the sale of the 37 acres of developable land within the Water Street parcel.

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 \$45,088,383. Of this amount, \$18,125,000 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	
	2015	2014
General obligation bonds	\$18,125,000	\$19,925,000
Revenue bonds	26,963,383	28,612,720
<b>Total</b>	<b><u>\$45,088,383</u></b>	<b><u>\$48,537,720</u></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.

# CITY OF YPSILANTI, MICHIGAN

## Management's Discussion and Analysis

Standard & Poor's rating on March 18, 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.

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

Revenues for all funds are budgeted to be \$91,617 lower than the current fiscal year amended budget. The City expects property taxes to increase by 1.25% net of the under \$40,000 taxable value of personal properties. The City continues to look for many option to reduce costs or increase revenues. Some of the things being considered are continue restructuring the police and fire personnel resulting in reduced overtime pay, sold surplus and old equipment and replaced them with dual fuel vehicle that will save fuel cost, a special assessment on the operational cost of street lighting, in-house 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 is refunding of \$13.245M general obligation bonds in spring of 2016 to a lower interest rates and reducing/eliminating general fund deficit in the next 15 years.

The City's spending budget for all funds for next fiscal year is \$3,377,399 more than the current year proposed budget, which includes reconstruction of prospect road from holmes to grove street (\$700,000), reconstruction of North Adams street from Pearl to cross street (\$922,121), construction of Ypsilanti heritage bridge across the Huron river between riverside park and Michigan avenue (\$1,089,000), construction of border to border trail through Water Street Redevelopment Area (\$473,000), construction of mid-block crossing at Michigan avenue to connect the heritage bridge and the border to border trail (\$473,000), install underground electric services and trunkline on water street redevelopment area (\$709,8(80), Freighthouse improvements \$220,000), purchase Fire Truck (\$430,000), two police patrol cars (\$80,000) and roof repair of fire department building (\$120,000).

### 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, 2015

	Primary Government	
	Governmental Activities	Component Units
<b>Assets</b>		
Cash and cash equivalents	\$ 18,021,855	\$ 603,497
Investments	1,898,261	-
Receivables	25,253,777	515
Prepaid items and other assets	2,408,278	-
Other noncurrent assets:		
Net pension asset	4,637,313	-
Net postemployment benefits asset	34,740	-
Capital assets not being depreciated	1,486,243	53,200
Capital assets being depreciated, net	<u>20,082,238</u>	<u>1,971,684</u>
<b>Total assets</b>	<u>73,822,705</u>	<u>2,628,896</u>
<b>Deferred outflows of resources</b>		
Deferred pension amounts	2,367,706	-
Deferred charge on refunding	<u>49,924</u>	<u>-</u>
<b>Total deferred outflows of resources</b>	<u>2,417,630</u>	<u>-</u>
<b>Liabilities</b>		
Accounts payable and accrued expenses	2,821,159	35,847
Due to other governments	90,285	15,436
Unearned revenue	325,595	26,500
Other noncurrent liabilities -		
Net pension liability	16,533,840	-
Long-term liabilities:		
Due within one year	4,341,714	63,338
Due in more than one year	<u>45,278,238</u>	<u>560,000</u>
<b>Total liabilities</b>	<u>69,390,831</u>	<u>701,121</u>
<b>Net position</b>		
Net investment in capital assets	16,749,695	1,401,546
Restricted for:		
Highways and streets	2,809,522	-
Drug law enforcement	81,533	-
Public transportation	28,317	-
Debt service	2,607,408	-
Unrestricted (deficit)	<u>(15,426,971)</u>	<u>526,229</u>
<b>Total net position</b>	<u>\$ 6,849,504</u>	<u>\$ 1,927,775</u>

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

CITY OF YPSILANTI, MICHIGAN

Statement of Activities

For the Year Ended June 30, 2015

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
General government	\$ 2,894,307	\$ 1,780,054	\$ 31,458	\$ 77,055	\$ (1,005,740)
Public safety	9,667,739	722,075	452,503	51,221	(8,441,940)
Public works	1,815,800	-	-	-	(1,815,800)
Highways, streets and bridges	3,732,864	-	3,278,442	-	(454,422)
Culture and recreation	419,667	-	10,183	47,901	(361,583)
Community development	361,966	1,500	-	-	(360,466)
Public transportation	268,428	-	-	-	(268,428)
Interest on long-term debt	1,858,619	-	925,291	-	(933,328)
<b>Total primary government</b>	<b>\$ 21,019,390</b>	<b>\$ 2,503,629</b>	<b>\$ 4,697,877</b>	<b>\$ 176,177</b>	<b>\$ (13,641,707)</b>
Component units					
Community/economic development	\$ 483,911	\$ -	\$ 10,000	\$ -	\$ (473,911)

continued...

# CITY OF YPSILANTI, MICHIGAN

## Statement of Activities

For the Year Ended June 30, 2015

	Primary Government	
	Governmental Activities	Component Units
Changes in net position		
Net expense	<u>\$ (13,641,707)</u>	<u>\$ (473,911)</u>
General revenues:		
Property taxes	10,606,608	331,435
Grants and contributions not restricted to specific programs	2,483,001	10,283
Unrestricted investment earnings	<u>368,451</u>	<u>3,293</u>
Total general revenues	<u>13,458,060</u>	<u>345,011</u>
Change in net position	(183,647)	(128,900)
Net position, beginning of year, as restated	<u>7,033,151</u>	<u>2,056,675</u>
Net position, end of year	<u>\$ 6,849,504</u>	<u>\$ 1,927,775</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, 2015

	General	Major Streets	2006 General Obligation	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 7,175,024	\$ 2,374,713	\$ 177,422	\$ 4,947,882	\$ 14,675,041
Investments	996,199	-	-	-	996,199
Accounts receivable	111,860	1,080	-	43,661	156,601
Land held for resale	38,644	-	1,900,300	-	1,938,944
Special assessments receivable	84,731	-	-	-	84,731
Due from other governments	617,040	179,518	-	106,815	903,373
Prepaid items	139,876	-	-	34,577	174,453
Inventory	214,836	-	-	-	214,836
<b>Total assets</b>	<b>\$ 9,378,210</b>	<b>\$ 2,555,311</b>	<b>\$ 2,077,722</b>	<b>\$ 5,132,935</b>	<b>\$ 19,144,178</b>
<b>Liabilities</b>					
Accounts payable	\$ 289,304	\$ 633,799	\$ -	\$ 81,293	\$ 1,004,396
Accrued liabilities	581,219	8,430	-	22,663	612,312
Due to other governments	-	-	-	90,285	90,285
Tax refunds payable	222,569	-	-	72,176	294,745
Unearned revenue	100,937	-	-	224,658	325,595
<b>Total liabilities</b>	<b>1,194,029</b>	<b>642,229</b>	<b>-</b>	<b>491,075</b>	<b>2,327,333</b>
<b>Fund balances</b>					
Nonspendable:					
Prepaid items	139,876	-	-	34,577	174,453
Inventory	214,836	-	-	-	214,836
Land held for resale	38,644	-	1,900,300	-	1,938,944
Restricted for:					
Major and local streets	-	1,913,082	-	896,440	2,809,522
Drug law enforcement	-	-	-	81,533	81,533
Public transportation	-	-	-	28,317	28,317
Debt service	-	-	177,422	2,882,308	3,059,730
Committed for:					
Various purposes (Note 13)	5,260,352	-	-	-	5,260,352
Capital projects	-	-	-	753,262	753,262
Unassigned (deficit)	2,530,473	-	-	(34,577)	2,495,896
<b>Total fund balances</b>	<b>8,184,181</b>	<b>1,913,082</b>	<b>2,077,722</b>	<b>4,641,860</b>	<b>16,816,845</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 9,378,210</b>	<b>\$ 2,555,311</b>	<b>\$ 2,077,722</b>	<b>\$ 5,132,935</b>	<b>\$ 19,144,178</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, 2015

Fund balances - total governmental funds	\$ 16,816,845
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	51,865,233
Accumulated depreciation	(32,184,322)
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.	
	-
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	49,924
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	5,628,381
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 - net pension asset	4,637,313
Other noncurrent assets - other postemployment benefits	34,740
Other noncurrent liabilities - net pension liability	(16,533,840)
Amortized deferred outflow of resources for pension	2,367,706
Bonds and purchase agreements payable	(48,178,733)
Bond premium	(371,731)
Leases receivable from joint venture entity for debt-financed property	24,106,012
Accrued interest on bonds payable	(452,322)
Compensated absences	(935,702)
Net position of governmental activities	<u>\$ 6,849,504</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, 2015

	General	Major Streets	2006 General Obligation	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes and special assessments	\$ 8,160,385	\$ -	\$ -	\$ 2,446,223	\$ 10,606,608
Licenses and permits	811,221	6,980	-	49,026	867,227
Intergovernmental	2,966,962	2,942,956	-	3,166,510	9,076,428
Charges for services	475,814	-	-	-	475,814
Fines and forfeits	315,907	-	-	-	315,907
Investment earnings	228,302	11,815	550	29,507	270,174
Other revenues	1,042,237	1,884	-	149,686	1,193,807
<b>Total revenues</b>	<b>14,000,828</b>	<b>2,963,635</b>	<b>550</b>	<b>5,840,952</b>	<b>22,805,965</b>
<b>Expenditures</b>					
Current:					
General government	2,260,477	-	-	537,181	2,797,658
Public safety	7,962,523	-	-	85,951	8,048,474
Public works	572,374	-	-	329,767	902,141
Refuse collection	-	-	-	859,180	859,180
Highways, streets and bridges	-	1,869,518	-	448,846	2,318,364
Parks and recreation	309,980	-	-	-	309,980
Community development	55,362	-	-	160	55,522
Public transportation	-	-	-	267,238	267,238
Unallocated employee benefits	727,865	-	-	-	727,865
Tax tribunal refunds	218,384	-	-	41,636	260,020
Debt service:					
Principal	-	-	505,000	3,160,000	3,665,000
Interest and fiscal charges	-	-	871,640	1,011,623	1,883,263
<b>Total expenditures</b>	<b>12,106,965</b>	<b>1,869,518</b>	<b>1,376,640</b>	<b>6,741,582</b>	<b>22,094,705</b>
<b>Revenues over (under) expenditures</b>	<b>1,893,863</b>	<b>1,094,117</b>	<b>(1,376,090)</b>	<b>(900,630)</b>	<b>711,260</b>
<b>Other financing sources (uses)</b>					
Issuance of refunding bonds	-	-	-	215,663	215,663
Transfers in	41,812	-	1,543,790	554,561	2,140,163
Transfers out	(1,699,859)	(216,307)	-	(168,408)	(2,084,574)
<b>Total other financing sources (uses)</b>	<b>(1,658,047)</b>	<b>(216,307)</b>	<b>1,543,790</b>	<b>601,816</b>	<b>271,252</b>
<b>Net changes in fund balances</b>	<b>235,816</b>	<b>877,810</b>	<b>167,700</b>	<b>(298,814)</b>	<b>982,512</b>
Fund balances, beginning of year	7,948,365	1,035,272	1,910,022	4,940,674	15,834,333
<b>Fund balances, end of year</b>	<b>\$ 8,184,181</b>	<b>\$ 1,913,082</b>	<b>\$ 2,077,722</b>	<b>\$ 4,641,860</b>	<b>\$ 16,816,845</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, 2015

Net change in fund balances - total governmental funds \$ 982,512

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	1,342,836
Depreciation expense	(2,799,498)

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	(215,663)
Principal payments on long-term liabilities	3,665,000
Change in leases receivable for debt-financed property	(1,859,716)

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	(180,765)
Investment income in government internal service funds	100,511
Gain on sale of capital assets in government internal service funds	128,464
Transfers out in governmental internal service funds	(55,589)

Revenues in the statement of activities that do not provide financial resources are not  
reported as revenue in the funds, but are deferred to subsequent years.

Change in unearned revenues	(218,966)
-----------------------------	-----------

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	(69,268)
Change in other noncurrent liabilities for net pension liability	(1,045,730)
Change in accrued interest payable on bonds	10,308
Change in the accrual for compensated absences	17,581
Amortization of bond premium	30,978
Amortization of deferred charge on refunding	(16,642)

Change in net position of governmental activities \$ (183,647)

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, 2015

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
<b>Revenues</b>				
Taxes and special assessments	\$ 8,087,101	\$ 8,193,693	\$ 8,160,385	\$ (33,308)
Licenses and permits	588,069	773,131	811,221	38,090
Intergovernmental	2,893,816	3,007,059	2,966,962	(40,097)
Charges for services	423,840	462,568	475,814	13,246
Fines and forfeits	320,000	324,350	315,907	(8,443)
Investment earnings	100,045	115,015	228,302	113,287
Other revenues	829,849	1,109,059	1,042,237	(66,822)
<b>Total revenues</b>	<b>13,242,720</b>	<b>13,984,875</b>	<b>14,000,828</b>	<b>15,953</b>
<b>Expenditures</b>				
General government:				
City council	98,080	105,508	105,303	(205)
City manager	261,498	273,070	260,092	(12,978)
Community services	14,300	19,403	17,076	(2,327)
Elections	140,935	79,802	69,490	(10,312)
Accounting	344,074	314,514	301,550	(12,964)
Assessing	91,360	84,245	81,753	(2,492)
General legal	60,000	52,140	52,140	-
Ordinance prosecution	110,000	105,000	105,000	-
Litigation and appeals	135,000	135,000	97,226	(37,774)
Personnel legal	10,000	19,000	18,311	(689)
City clerk	174,526	193,151	173,660	(19,491)
Human resources	168,812	158,519	145,535	(12,984)
Treasurer	141,266	136,302	134,966	(1,336)
Public building maintenance	336,499	447,134	385,150	(61,984)
Planning and development	373,613	257,634	313,225	55,591
<b>Total general government</b>	<b>2,459,963</b>	<b>2,380,422</b>	<b>2,260,477</b>	<b>(119,945)</b>
Public safety:				
Police	5,146,761	4,703,294	4,635,056	(68,238)
Fire	3,076,383	3,014,409	2,859,084	(155,325)
Ordinance enforcement	195,292	213,916	193,753	(20,163)
Building inspection	252,208	276,150	274,630	(1,520)
<b>Total public safety</b>	<b>8,670,644</b>	<b>8,207,769</b>	<b>7,962,523</b>	<b>(245,246)</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, 2015

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
Expenditures (Concluded)				
Public works:				
Public works department	\$ 211,943	\$ 184,190	\$ 175,913	\$ (8,277)
Street lighting	429,000	426,000	396,461	(29,539)
Total public works	<u>640,943</u>	<u>610,190</u>	<u>572,374</u>	<u>(37,816)</u>
Parks and recreation	<u>399,470</u>	<u>337,250</u>	<u>309,980</u>	<u>(27,270)</u>
Community development	<u>17,183</u>	<u>36,173</u>	<u>55,362</u>	<u>19,189</u>
Unallocated employee benefits	<u>888,582</u>	<u>741,218</u>	<u>727,865</u>	<u>(13,353)</u>
Tax tribunal refunds	<u>17,000</u>	<u>227,000</u>	<u>218,384</u>	<u>(8,616)</u>
Total expenditures	<u>13,093,785</u>	<u>12,540,022</u>	<u>12,106,965</u>	<u>(433,057)</u>
Revenues over expenditures	<u>148,935</u>	<u>1,444,853</u>	<u>1,893,863</u>	<u>449,010</u>
Other financing sources (uses)				
Transfers in	15,638	34,658	41,812	7,154
Transfers out	<u>(1,743,225)</u>	<u>(1,778,903)</u>	<u>(1,699,859)</u>	<u>79,044</u>
Total other financing (uses)	<u>(1,727,587)</u>	<u>(1,744,245)</u>	<u>(1,658,047)</u>	<u>86,198</u>
Net change in fund balance	(1,578,652)	(299,392)	235,816	535,208
Fund balance, beginning of year	<u>7,948,365</u>	<u>7,948,365</u>	<u>7,948,365</u>	<u>-</u>
Fund balance, end of year	<u>\$ 6,369,713</u>	<u>\$ 7,648,973</u>	<u>\$ 8,184,181</u>	<u>\$ 535,208</u>

concluded.

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 - Major Streets Fund

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
<b>Revenues</b>				
Licenses and permits	\$ 6,000	\$ 6,000	\$ 6,980	\$ 980
Intergovernmental - state	1,006,935	2,237,606	2,942,956	705,350
Investment earnings	4,750	10,000	11,815	1,815
Other revenues	2,000	2,000	1,884	(116)
<b>Total revenues</b>	<b>1,019,685</b>	<b>2,255,606</b>	<b>2,963,635</b>	<b>708,029</b>
<b>Expenditures</b>				
Highways, streets and bridges:				
Street construction	153,000	123,300	119,685	(3,615)
Routine maintenance	404,604	419,725	304,712	(115,013)
Routine maintenance - bridges	10,000	6,500	5,750	(750)
Traffic services	100,770	96,986	86,568	(10,418)
Winter maintenance	116,594	150,803	111,236	(39,567)
Administration	47,783	47,632	54,514	6,882
Trunkline maintenance	254,365	1,264,644	1,187,053	(77,591)
<b>Total expenditures</b>	<b>1,087,116</b>	<b>2,109,590</b>	<b>1,869,518</b>	<b>(240,072)</b>
Revenues over (under) expenditures	(67,431)	146,016	1,094,117	948,101
<b>Other financing sources (uses)</b>				
Transfers in	140,000	-	-	-
Transfers out	(180,987)	(206,593)	(216,307)	(9,714)
<b>Total other financing sources (uses)</b>	<b>(40,987)</b>	<b>(206,593)</b>	<b>(216,307)</b>	<b>(9,714)</b>
Net changes in fund balance	(108,418)	(60,577)	877,810	938,387
Fund balance, beginning of year	1,035,272	1,035,272	1,035,272	-
Fund balance, end of year	\$ 926,854	\$ 974,695	\$ 1,913,082	\$ 938,387

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, 2015

	Total
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 3,346,814
Investments	902,062
Accounts receivable	3,060
Inventory	10,371
Prepaid items	69,674
	<hr/>
Total current assets	4,331,981
Noncurrent assets - capital assets, net	1,887,570
	<hr/>
<b>Total assets</b>	<b>6,219,551</b>
	<hr/>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable and accrued liabilities	35,312
Current portion of capital leases payable	20,714
Current portion of claims payable	266,600
	<hr/>
Total current liabilities	322,626
	<hr/>
Noncurrent liabilities:	
Capital leases payable, net	113,072
Claims payable, net	155,472
	<hr/>
Total noncurrent liabilities	268,544
	<hr/>
<b>Total liabilities</b>	<b>591,170</b>
	<hr/>
<b>Net position</b>	
Investment in capital assets	1,887,570
Unrestricted	3,740,811
	<hr/>
<b>Total net position</b>	<b>\$ 5,628,381</b>
	<hr/> <hr/>

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

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# CITY OF YPSILANTI, MICHIGAN

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

Proprietary Funds - Internal Service Funds

For the Year Ended June 30, 2015

	Total
Operating revenues	
Charges for services	<u>\$ 2,113,819</u>
Operating expenses	
Salaries, taxes and benefits	200,062
Gas, oil and fuel	150,849
Depreciation	386,137
Operation and maintenance	141,470
Contractual services and fees	247,181
Insurance and other	49,334
Benefits and claims	<u>1,119,551</u>
Total operating expenses	<u>2,294,584</u>
Operating income (loss)	<u>(180,765)</u>
Nonoperating revenues	
Investment income	100,511
Gain on sale of equipment	<u>128,464</u>
Total nonoperating revenues	<u>228,975</u>
Loss before transfers	48,210
Transfers out	<u>(55,589)</u>
Change in net position	(7,379)
Net position, beginning of year	<u>5,635,760</u>
Net position, end of year	<u><u>\$ 5,628,381</u></u>

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

# CITY OF YPSILANTI, MICHIGAN

## Statement of Cash Flows

Proprietary Funds - Internal Service Funds  
For the Year Ended June 30, 2015

	Total
Cash flows from operating activities	
Cash received from interfund services	\$ 2,142,634
Cash payments to employees	(200,062)
Cash payments for claims	(1,363,682)
Cash payments to suppliers for goods and services	(599,588)
	<hr/>
Net cash used in operating activities	(20,698)
	<hr/>
Cash flows from noncapital financing activities	
Transfer to other funds	(55,589)
	<hr/>
Cash flows from capital and related financing activities	
Purchase of capital assets	(906,889)
Issue capital lease	158,433
Principal paid on capital lease	(24,647)
Proceeds from sale of capital assets	128,464
	<hr/>
Net cash used in capital and related financing activities	(644,639)
	<hr/>
Cash flows from investing activities	
Redemption of investments	593,962
Investment income	100,511
	<hr/>
Net cash provided by investing activities	694,473
	<hr/>
Change in cash and cash equivalents	(26,453)
	<hr/>
Cash and cash equivalents, beginning of year	3,373,267
	<hr/>
Cash and cash equivalents, end of year	\$ 3,346,814
	<hr/> <hr/>

continued...

# CITY OF YPSILANTI, MICHIGAN

## Statement of Cash Flows

Proprietary Funds - Internal Service Funds  
For the Year Ended June 30, 2015

	Total
Reconciliation of operating loss to net cash used in operating activities	
Operating loss	\$ (180,765)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	386,137
Changes in:	
Accounts receivable	28,815
Inventory	20,547
Prepaid items	(12,909)
Accounts payable and accrued liabilities	(18,101)
Claims payable	(244,422)
	<u>                    </u>
Net cash used in operating activities	<u><u>\$ (20,698)</u></u>
Noncash	
Capital contributions	<u><u>\$ -</u></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, 2015

	Police and Fire Retirement System Trust	Current Tax Agency Fund
<b>Assets</b>		
Cash and cash equivalents	\$ 1,106,549	\$ -
Investments:		
U.S. agencies	1,837,107	-
Corporate bonds	4,697,778	-
Domestic equities	16,143,618	-
International equities	1,054,847	-
Mutual funds	5,404,205	-
Real estate investment trusts	508,400	-
Money market accounts	570,926	-
<b>Total assets</b>	<u>31,323,430</u>	<u>\$ -</u>
<b>Liabilities</b>		
Undistributed receipts	-	\$ -
Accounts payable	919,199	-
<b>Total liabilities</b>	<u>919,199</u>	<u>\$ -</u>
<b>Net position</b>		
Restricted for pension benefits	<u>\$ 30,404,231</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, 2015

### Additions

Investment income:	
Net appreciation in fair value of investments	\$ 423,704
Interest and dividends	701,928
Less investment management fees	<u>(116,563)</u>
Net investment income	<u>1,009,069</u>
Contributions:	
City of Ypsilanti	1,395,423
Participants	<u>274,671</u>
Total contributions	<u>1,670,094</u>
Total additions	<u>2,679,163</u>
Deductions	
Participant benefits	3,136,190
Participant refunds	669,858
Administrative expenses	<u>66,121</u>
Total deductions	<u>3,872,169</u>
Net change to net position restricted for pension benefits	(1,193,006)
Net position restricted for pension benefits, beginning of year	<u>31,597,237</u>
Net position restricted for pension benefits, end of year	<u><u>\$ 30,404,231</u></u>

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, 2015

	Downtown Development Authority	Depot Town Downtown Development Authority	Economic Development Corporation	Totals
<b>Assets</b>				
Cash and cash equivalents	\$ 204,444	\$ 263,934	\$ 135,119	\$ 603,497
Accounts receivable	-	515	-	515
Due from other governments	-	-	-	-
Prepays	-	-	-	-
Capital assets not being depreciated	-	-	53,200	53,200
Capital assets being depreciated, net	1,655,044	316,640	-	1,971,684
<b>Total assets</b>	<b>1,859,488</b>	<b>581,089</b>	<b>188,319</b>	<b>2,628,896</b>
<b>Liabilities</b>				
Accounts payable	16,145	6,354	-	22,499
Accrued liabilities	13,261	87	-	13,348
Due to other governments	365	15,071	-	15,436
Unearned revenues	16,500	10,000	-	26,500
Long-term liabilities:				
Due within one year	56,066	7,272	-	63,338
Due in more than one year	560,000	-	-	560,000
<b>Total liabilities</b>	<b>662,337</b>	<b>38,784</b>	<b>-</b>	<b>701,121</b>
<b>Net position</b>				
Investment in capital assets	1,038,978	309,368	53,200	1,401,546
Restricted for capital projects	-	-	-	-
Unrestricted	158,173	232,937	135,119	526,229
<b>Total net position</b>	<b>\$ 1,197,151</b>	<b>\$ 542,305</b>	<b>\$ 188,319</b>	<b>\$ 1,927,775</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, 2015

	Downtown Development Authority	Depot Town Downtown Development Authority	Economic Development Corporation	Totals
Expenses				
Community / economic development	\$ 336,159	\$ 146,155	\$ 1,597	\$ 483,911
Program revenues				
Operating grants and contributions	-	10,000	-	10,000
Net program expense	<u>(336,159)</u>	<u>(136,155)</u>	<u>(1,597)</u>	<u>(473,911)</u>
General revenues				
Property taxes	227,847	103,588	-	331,435
Other revenue	10,283	-	-	10,283
Unrestricted investment earnings	1,161	1,272	860	3,293
Total general revenues	<u>239,291</u>	<u>104,860</u>	<u>860</u>	<u>345,011</u>
Change in net position	(96,868)	(31,295)	(737)	(128,900)
Net position, beginning of year	<u>1,294,019</u>	<u>573,600</u>	<u>189,056</u>	<u>2,056,675</u>
Net position, end of year	<u>\$ 1,197,151</u>	<u>\$ 542,305</u>	<u>\$ 188,319</u>	<u>\$ 1,927,775</u>

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 prepared.

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

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

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

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

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

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when an expense is incurred for purposes for which both restricted and unrestricted resources 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 *major streets special revenue fund* accounts for activity related to the construction, repair and maintenance of the City's major streets. Revenues consist primarily of State-shared gasoline and weight tax collections.

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.

Additionally, the City reports the following fund types:

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

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

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

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

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

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, Deferred Outflows/Inflows of Resources, and Net Position or 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 \$5,000 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 has two items that qualify for reporting in this category and are reported in the government-wide statement of net position. First is a deferred charge on refunding that 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. The second is a deferred charge for amounts related to the net pension liability and changes therein, which are amortized over the average remaining service life of plan members.

### *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, 2015, the government incurred expenditures in excess of the amounts appropriated at the legal level of budgetary control as follow:

	Final Budget	Actual	Over Budget
General fund			
General government - planning and development	\$ 257,634	\$ 313,225	\$ 55,591
Community development	36,173	55,362	19,189
Major streets special revenue funds			
Transfers out	206,593	216,307	9,714

### 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	\$ 426,937
Less related expenditures:	
Direct costs	274,631
Estimated indirect costs	55,803
Current year shortfall	<u>96,503</u>
Cumulative shortfall, beginning of year	<u>(890,946)</u>
Cumulative shortfall, end of year	<u><u>\$ (794,443)</u></u>

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### 5. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of June 30, 2015:

	Primary Governments	Component Units	Total
<b>Statement of net position</b>			
Cash and cash equivalents	\$ 18,021,855	\$ 603,497	\$ 18,625,352
Investments	1,898,261	-	1,898,261
<b>Statement of fiduciary net position</b>			
Cash and cash equivalents:			
Pension trust fund	1,106,549	-	1,106,549
Investments - pension trust fund	30,216,881	-	30,216,881
	<u>\$ 51,243,546</u>	<u>\$ 603,497</u>	<u>\$ 51,847,043</u>
<b>Deposits and investments:</b>			
Bank deposits (checking, savings and certificates of deposit)			\$ 19,724,326
Investments in securities, mutual funds and similar vehicles:			
City investment pool			1,898,261
Pension trust fund			30,216,881
Cash on hand			<u>7,575</u>
<b>Total</b>			<u><u>\$ 51,847,043</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, 2015, \$18,729,532 of the City's total bank balance of \$19,979,532 (total book balance was \$19,724,326) 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 \$1,898,261 as of June 30, 2015 consisted of amounts held in securities of U.S. agencies. 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, 2015, none of the City's investments were exposed to custodial credit risk as they were held in the City's name by the counterparty.

*Credit Risk.* As of June 30, 2015, all of the City's investments in securities of U.S. agencies were rated Aaa by Moody's. The City's investment policy does not have specific limits in excess of State law on investment credit risk.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

*Concentration of Credit Risk.* At June 30, 2015, the investment portfolio of the City was concentrated 34.5% in securities of the Federal National Mortgage Association and 65.5% 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, 2015, maturities of the City's investments in the debt securities of U.S. agencies were more than ten years. The City's investment policy does not address interest rate risk.

### 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, 2015:

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

U.S. agencies	\$ 1,837,107
Corporate bonds	4,697,778
Domestic equities	16,143,618
International equities	1,054,847
Mutual funds	5,404,205
Domestic real estate investment trusts	508,400
Money market accounts	<u>570,926</u>
Total investments	<u>\$ 30,216,881</u>

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

*Credit Risk.* As of June 30, 2015, 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	\$	322,655
A1		615,037
A2		1,362,696
A3		389,201
Baa1		792,461
Baa2		804,196
Baa3		411,532
Totals	\$	<u>4,697,778</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, 2015, 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, 2015, 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	\$ 1,837,107	\$ -	\$ 9,129	\$ -	\$ 1,827,978
Corporate bonds	4,697,778	-	1,488,593	2,310,776	898,409
	<u>\$ 6,534,885</u>	<u>\$ -</u>	<u>\$ 1,497,722</u>	<u>\$ 2,310,776</u>	<u>\$ 2,726,387</u>

Of the above corporate bonds, \$955,170 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 limited to holdings of international equities of predominantly Canadian, European and Caribbean denominated companies.

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 \$5,404,205), predominately in Japanese, European and other Asian companies. The residual mutual fund underlying investments are in cash and cash equivalents, domestic equities and alternatives.

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 95.5% leases (approximately 7.0% of which will be collected in one year), 3.6% due from other governments and 0.9% other receivables.

### 8. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 1,373,105	\$ 41,744	\$ -	\$ 1,414,849
Construction in progress	110,468	71,394	(110,468)	71,394
	<u>1,483,573</u>	<u>113,138</u>	<u>(110,468)</u>	<u>1,486,243</u>
Capital assets being depreciated:				
Infrastructure	39,933,707	1,226,793	-	41,160,500
Buildings and improvements	7,657,483	116,374	-	7,773,857
Vehicles and equipment	7,257,594	903,887	(624,186)	7,537,295
	<u>54,848,784</u>	<u>2,247,054</u>	<u>(624,186)</u>	<u>56,471,652</u>
Less accumulated depreciation for:				
Infrastructure	24,927,851	2,396,637	-	27,324,488
Buildings and improvements	3,206,268	359,838	-	3,566,106
Vehicles and equipment	5,693,846	429,160	(624,186)	5,498,820
	<u>33,827,965</u>	<u>3,185,635</u>	<u>(624,186)</u>	<u>36,389,414</u>
Total capital assets being depreciated, net	<u>21,020,819</u>	<u>(938,581)</u>	<u>-</u>	<u>20,082,238</u>
Governmental activities capital assets, net	<u>\$ 22,504,392</u>	<u>\$ (825,443)</u>	<u>\$ (110,468)</u>	<u>\$ 21,568,481</u>

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

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

Governmental activities	
General government	\$ 48,041
Public safety	216,399
Public works	13,022
Highways, streets and bridges	2,404,782
Culture and recreation	117,254
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>386,137</u>
<b>Total depreciation expense - governmental activities</b>	<b><u>\$ 3,185,635</u></b>

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

	Beginning Balance	Increases	Decreases	Ending Balance
Component units				
Capital assets not being depreciated:				
Land	\$ 53,200	\$ -	\$ -	\$ 53,200
Construction in progress	53,984	-	(53,984)	-
	<u>107,184</u>	<u>-</u>	<u>(53,984)</u>	<u>53,200</u>
Capital assets being depreciated -				
Buildings and improvements	3,639,052	53,984	-	3,693,036
Less accumulated depreciation for -				
Buildings and improvements	1,611,265	110,087	-	1,721,352
	<u>2,027,787</u>	<u>(56,103)</u>	<u>-</u>	<u>1,971,684</u>
Total capital assets being depreciated, net				
	<u>2,027,787</u>	<u>(56,103)</u>	<u>-</u>	<u>1,971,684</u>
Component units capital assets, net	<u>\$ 2,134,971</u>	<u>\$ (56,103)</u>	<u>\$ (53,984)</u>	<u>\$ 2,024,884</u>

## 9. PAYABLES

Payables in the governmental activities are 20.7% accrued liabilities, 10.0% property tax refunds, 15.3% interest, 14.3% claims, and 39.7% vendors.

## 10. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The City had no interfund receivables or payables at year-end.

Generally, interfund 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.

# CITY OF YPSILANTI, MICHIGAN

## Notes to 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.

Transfers Out	Transfers In			Totals
	General Fund	2006 General Obligation	Nonmajor Governmental Funds	
General fund	\$ -	\$ 1,543,790	\$ 156,069	\$ 1,699,859
Major streets fund	-	-	216,307	216,307
Nonmajor governmental funds	41,812	-	126,596	168,408
Internal service funds	-	-	55,589	55,589
	<u>\$ 41,812</u>	<u>\$ 1,543,790</u>	<u>\$ 554,561</u>	<u>\$ 2,140,163</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 \$295,000 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	\$ 1,975,000	\$ -	\$ (645,000)	\$ 1,330,000	\$ 660,000
2002 capital improvements	135,000	-	(30,000)	105,000	35,000
2006 property remediation	14,285,000	-	(505,000)	13,780,000	535,000
2013 refunding bonds	3,530,000	-	(620,000)	2,910,000	630,000
	<u>\$ 19,925,000</u>	<u>\$ -</u>	<u>\$ (1,800,000)</u>	<u>\$ 18,125,000</u>	<u>\$ 1,860,000</u>

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

	Principal	Interest
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	675,000	704,670
2021-2025	4,035,000	2,621,982
2026-2030	5,440,000	1,453,730
2031	1,295,000	80,290
	<u>\$ 18,125,000</u>	<u>\$ 8,153,252</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 current and prior years for the items listed below was \$34,464,702. 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
2002-B Water/Sewer (DWRP)	\$ 230,000	\$ -	\$ (25,000)	\$ 205,000	\$ 25,000
2003-A Water/Sewer	505,000	-	(505,000)	-	-
2003-C Water/Sewer (DWRP)	440,000	-	(40,000)	400,000	40,000
2003-D Water/Sewer (DWRP)	2,975,000	-	(265,000)	2,710,000	270,000
2004-B Water/Sewer (DWRP)	3,810,000	-	(310,000)	3,500,000	315,000
2006 Water/Sewer Refunding	9,745,000	-	(25,000)	9,720,000	50,000
2007 Water/Sewer (DWRP)	223,702	-	(15,000)	208,702	15,000
2008 Water/Sewer (DWRP)	339,253	-	(20,000)	319,253	20,000
2009 Water/Sewer (DWRP)	119,029	-	(5,000)	114,029	5,000
2012 Water/Sewer (DWRP)	2,735,736	164,264	(115,000)	2,785,000	115,000
2013 Water/Sewer Refunding	7,490,000	-	(540,000)	6,950,000	995,000
2015 Water/Sewer (DWRP)	-	51,399	-	51,399	-
	<u>\$ 28,612,720</u>	<u>\$ 215,663</u>	<u>\$ (1,865,000)</u>	<u>\$ 26,963,383</u>	<u>\$ 1,850,000</u>

DWRP = Drinking Water Revolving Fund (State of Michigan)

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

	Principal	Interest
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	2,120,000	619,379
2021-2025	11,240,000	1,976,480
2026-2030	5,091,984	368,130
2031-2034	700,000	21,003
	<u>26,911,984</u>	<u>6,090,184</u>
Current project draws	51,399	-
Totals	<u>\$ 26,963,383</u>	<u>\$ 6,090,184</u>

*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	\$ 150,000
2015 capital lease	-	158,433	(24,647)	133,786	20,714
Biltmore agreement	340,000	-	-	340,000	-
	<u>\$ 3,090,350</u>	<u>\$ 158,433</u>	<u>\$ (24,647)</u>	<u>\$ 3,224,136</u>	<u>\$ 170,714</u>

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

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

	Principal	Interest
2016	\$ 170,714	\$ 33,933
2017	146,323	57,324
2018	151,950	51,698
2019	162,595	45,852
2020	168,260	39,588
2021-2025	<u>2,084,294</u>	<u>100,504</u>
	2,884,136	328,899
Biltmore agreement	<u>340,000</u>	<u>-</u>
	<u>\$ 3,224,136</u>	<u>\$ 328,899</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, 2015 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Downtown development - 2004-A	<u>\$ 670,000</u>	<u>\$ -</u>	<u>\$ (55,000)</u>	<u>\$ 615,000</u>	<u>\$ 55,000</u>

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

	Principal	Interest
2016	\$ 55,000	\$ 26,858
2017	60,000	24,685
2018	60,000	22,255
2019	65,000	19,765
2020	70,000	16,970
2021-2024	<u>305,000</u>	<u>35,775</u>
	<u>\$ 615,000</u>	<u>\$ 146,308</u>

Component unit revenue bonds outstanding at June 30, 2015 are as follows:

	Beginning Balance	Reductions	Ending Balance	Due Within One Year
2000 Depot Town Downtown Development	<u>\$ 26,259</u>	<u>\$ (19,466)</u>	<u>\$ 6,793</u>	<u>\$ 6,793</u>

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

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

	Principal	Interest
2016	<u>\$ 6,793</u>	<u>\$ 177</u>

*Changes in Long-term Debt.* Long-term debt activity for the year ended June 30, 2015, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Primary Government</b>					
General obligation bonds	\$ 19,925,000	\$ -	\$ (1,800,000)	\$ 18,125,000	\$ 1,860,000
Revenue bonds	28,612,720	215,663	(1,865,000)	26,963,383	1,850,000
Unamortized premium	402,709	-	(30,978)	371,731	-
Installment obligations	3,090,350	158,433	(24,647)	3,224,136	170,714
Compensated absences	953,283	452,314	(469,895)	935,702	461,000
	<u>\$ 52,984,062</u>	<u>\$ 826,410</u>	<u>\$ (4,190,520)</u>	<u>\$ 49,619,952</u>	<u>\$ 4,341,714</u>
<b>Component Units</b>					
General obligation bonds	\$ 670,000	\$ -	\$ (55,000)	\$ 615,000	\$ 55,000
Revenue bonds	26,259	-	(19,466)	6,793	6,793
Compensated absences	2,615	1,545	(2,615)	1,545	1,545
	<u>\$ 698,874</u>	<u>\$ 1,545</u>	<u>\$ (77,081)</u>	<u>\$ 623,338</u>	<u>\$ 63,338</u>

For the governmental activities, compensated absences, net pension liability 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:

<b>Committed fund balance</b>	
Active employees cumulative benefits	\$ 935,702
Water Street project bond payments	3,932,027
Water Street redevelopment professional fees	50,000
Energy efficiency and conservation project	235,064
Peninsular dam inspection study and repair	80,300
MDNR 2011 Recreation Passport Grant (Res # 2011-092)	10,000
Park capital improvements	<u>17,259</u>
<b>Total committed fund balance</b>	<u><u>\$ 5,260,352</u></u>

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### 14. INVESTED IN CAPITAL ASSETS

Net investment in capital assets of the governmental activities were comprised of the following at June 30, 2015:

Capital assets not being depreciated	\$ 1,486,243
Capital assets being depreciated, net	20,082,238
General obligation bonds	(18,125,000)
Revenue bonds	(26,963,383)
Installment obligations	(3,224,136)
Add back debt that did not produce City capital assets:	
General obligation bonds	13,780,000
Revenue bonds	26,963,383
Installment obligations	<u>2,750,350</u>
 Net investment in capital assets	 <u><u>\$ 16,749,695</u></u>

### 15. RISK MANAGEMENT

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

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

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

	2015	2014
Estimated liability, beginning of year	\$ 666,494	\$ 408,893
Estimated claims incurred, including changes in estimates	(103,518)	461,871
Claim payments	<u>(140,904)</u>	<u>(204,270)</u>
 Estimated liability, end of year	 <u><u>\$ 422,072</u></u>	 <u><u>\$ 666,494</u></u>

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### 16. PROPERTY TAXES

The government's property taxes are levied each July 1 on the taxable valuation of property located in the City as of the preceding December 31, the lien date. Property taxes are payable without penalty and interest through September 14; as of February 14 of the succeeding year, unpaid real property taxes are sold to and collected by Washtenaw County. Assessed values, as established annually by the government and subject to acceptance by the County, are equalized by the State at an estimated 50% of current market value. The taxable value of real and personal property in the City for the 2014 levy was \$292,133,419. The government's general operating tax rate for fiscal 2014-15 was 19.0211 mills plus 2.7814 mills for sanitation, 4.6772 mills for streets, 0.9789 for public transit and 8.3149 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

*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.

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.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

*Plan membership.* At June 30, 2015, membership in the plan consisted of the following:

Retirees and beneficiaries receiving benefits	119
Terminated employees entitled to but not yet receiving benefits	2
Active employees	41
Total	162

*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. Additional benefit provisions apply to COAM members depending on hire dates.
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.

*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 40.47% of covered payroll.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

*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, 2015 is as follows:

Beginning Balance	Credits	Interest	Distributions	Adjustments	Ending Balance
\$ 629,868	\$ 206,016	\$ 25,219	\$ (173,644)	\$ 15,636	\$ 703,095

*Net pension liability.* The City's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015.

*Actuarial assumptions.* The total pension liability was determined by an actuarial valuation as of June 30, 2015 and a measurement date of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	No explicit price inflation assumption used
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-2014 Healthy Annuitant Mortality Table

The actuarial assumptions used in the June 30, 2015 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, 2015, 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, 2015 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.

*Changes in the Net Pension Liability.* The components of the change in the net pension liability are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2014	\$ 44,839,193	\$ 31,597,237	\$ 13,241,956
Changes for the year:			
Service cost	767,076	-	767,076
Interest	3,248,978	-	3,248,978
Differences between expected and actual experience	481,589	-	481,589
Changes in assumptions	1,407,285	-	1,407,285
Employer contributions	-	1,395,423	(1,395,423)
Employee contributions	-	274,671	(274,671)
Net investment income	-	1,002,019	(1,002,019)
Benefit payments, including refunds of employee contributions	(3,806,050)	(3,806,050)	-
Administrative expense	-	(59,069)	59,069
Net changes	2,098,878	(1,193,006)	3,291,884
Balances at June 30, 2015	\$ 46,938,071	\$ 30,404,231	\$ 16,533,840

*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-percentage-point higher (8.5 percent) than the current rate:

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

	1% Decrease (6.5%)	Current Discount (7.5%)	1% Increase (8.5%)
City's net pension liability	\$ 21,546,995	\$ 16,533,840	\$ 12,321,289

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* For the year ended June 30, 2015, the City recognized pension expense of \$2,570,503. The City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Difference between expected and actual experience	\$ 277,509
Changes in assumptions	810,927
Net difference between projected and actual earnings on pension plan investments	<u>1,028,368</u>
<b>Total</b>	<b><u>\$ 2,116,804</u></b>

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending June 30, 2016. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2016	\$ 1,057,530
2017	545,090
2018	257,092
2019	<u>257,092</u>
<b>Total</b>	<b><u>\$ 2,116,804</u></b>

### Municipal Employees Retirement System of Michigan

*Plan Description.* The employer's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. Public Act 427 of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at [www.mersofmich.com](http://www.mersofmich.com).

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

*Contributions.* 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, 2015. This was determined as part of an actuarial valuation at December 31, 2012, using the entry age normal cost method. Similarly, employer contributions were not required the prior five years.

*Benefits Provided.* Pension benefits are calculated as final average compensation (based on a 5 year period) and multipliers ranging from 1.5% to 2.5%. Participants are considered to be fully vested in the plan after 10 years. Normal retirement age is 60 with early retirement at age 50 with 25 years of service. The employer may establish contribution rates to be paid by its covered employees. Currently, member contributions range from 0% to 9.4%.

*Employees Covered by Benefit Terms.* At December 31, 2014, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	54
Inactive employees entitled to but not yet receiving benefits	19
Active employees	<u>40</u>
 Total membership	 <u><u>113</u></u>

*Net Pension Liability.* The City's net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3% to 4%
Salary increases	4.5% in the long-term (2% and 3% for calendar years 2015 and 2016, respectively)
Investment rate of return	8.25%, net of investment expense and including inflation

Although no specific price inflation assumptions are needed for the valuation, the 4.5% long-term wage inflation assumption would be consistent with a price inflation of 3%-4%.

Mortality rates used were based on the 1994 Group Annuity Mortality Table of a 50% Male and 50% Female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study conducted in 2008. (MERS Retirement Board is currently conducting an actuarial experience study covering the period from January 1, 2009, through December 31, 2013.)

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	57.50%	5.02%	2.89%
Global fixed income	20.00%	2.18%	0.44%
Real assets	12.50%	4.23%	0.53%
Diversifying strategies	10.00%	6.56%	0.66%
	<u>100.00%</u>		
Inflation			3.50%
Administrative expenses netted above			<u>0.23%</u>
Investment rate of return			<u>8.25%</u>

*Discount Rate.* The discount rate used to measure the total pension liability is 8.25% for 2014. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. 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.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

*Changes in the Net Pension Liability.* The components of the change in the net pension liability are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a) - (b)
Balances at December 31, 2013	\$ 12,627,483	\$ 17,386,348	\$ (4,758,865)
Changes for the year:			
Service cost	261,667	-	261,667
Interest	1,018,946	-	1,018,946
Employee contributions	-	109,007	(109,007)
Net investment income	-	1,089,980	(1,089,980)
Benefit payments, including refunds of employee contributions	(813,912)	(813,912)	-
Administrative expense	(1,011)	(1,011)	-
Other changes	-	(39,926)	39,926
Net changes	<u>465,690</u>	<u>344,138</u>	<u>121,552</u>
Balances at December 31, 2014	<u>\$ 13,093,173</u>	<u>\$ 17,730,486</u>	<u>\$ (4,637,313)</u>

*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 8.25%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower (7.25%) or 1% higher (9.25%) than the current rate:

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's net pension liability (asset)	\$ (3,289,004)	\$ (4,637,313)	\$ (5,771,409)

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial statements.

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* For the year ended June 30, 2015, the City had no pension expense for the MERS plan.

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	<u>\$ 250,902</u>

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending June 30, 2016. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2016	\$ 62,726
2017	62,726
2018	62,726
2019	<u>62,724</u>
Total	<u>\$ 250,902</u>

### 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, 2014, the date of the latest actuarial valuation, the City had 219 total participants in the plan. This includes 83 active employees, no deferred vested participants, 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, 2015, the City paid benefits and made contributions to advance-fund the plan totaling \$1,208,716.

For the year ended June 30, 2015, 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.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

For fiscal 2015, 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	(8,321)
Adjustment to annual required contribution	<u>8,897</u>
Annual OPEB cost	1,277,984
Contributions made	<u>(1,208,716)</u>
Decrease in net OPEB asset	69,268
Net OPEB asset, beginning of year	<u>(104,008)</u>
 Net OPEB asset, end of year	 <u><u>\$ (34,740)</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
6/30/2013	\$ 1,279,218	\$ 1,139,174	89.1%	\$ 186,417
6/30/2014	1,278,443	1,196,034	93.6%	104,008
6/30/2015	1,277,984	1,208,716	94.6%	34,740

*Funded Status.* The funded status of the plan as of December 31, 2014, the date of the latest actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	\$ 17,973,717
Actuarial value of assets	<u>4,151,206</u>
Unfunded AAL (UAAL)	<u><u>\$ 13,822,511</u></u>
 Funded ratio	 <u><u>23.1%</u></u>
 Covered payroll	 <u><u>\$ 4,615,356</u></u>
 UAAL as % of covered payroll	 <u><u>299.5%</u></u>

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

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

*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	12/31/2014
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	8.0% 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.

### 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, 2015, the City has acquired numerous parcels, which are recorded as land held for resale. Acquisition costs are capitalized as well as other costs (legal, consulting, etc.) that are attributable and necessary for the project. The investment is valued at the lower of cost or market.

### 21. RESTATEMENTS

The City adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in the current year. As a result of this change, beginning net position of the governmental activities decreased by \$8,483,093.

## REQUIRED SUPPLEMENTARY INFORMATION

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**CITY OF YPSILANTI, MICHIGAN  
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN**

**Required Supplementary Information**

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

Schedule of Changes in City's Net Pension Liability and Related Ratios

	Year Ended December 31, 2014
Total pension liability	
Service cost	\$ 261,667
Interest	1,018,946
Benefit payments, including refunds of employee contributions	(813,912)
Employee refunds	(1,011)
Net change in total pension liability	<u>465,690</u>
Total pension liability, beginning of year	<u>12,627,483</u>
Total pension liability, end of year	<u>13,093,173</u>
Plan fiduciary net position	
Employee contributions	109,007
Net investment income	1,089,980
Benefit payments, including refunds of employee contributions	(813,912)
Employee refunds	(1,011)
Administrative expense	(39,926)
Net change in plan fiduciary net position	<u>344,138</u>
Plan fiduciary net position, beginning of year	<u>17,386,348</u>
Plan fiduciary net position, end of year	<u>17,730,486</u>
City's net pension liability (asset)	<u><u>\$(4,637,313)</u></u>
Plan fiduciary net position as a percentage of total pension liability	135.4%
Covered-employee payroll	\$ 2,116,057
City's net pension asset as a percentage of covered-employee payroll	-219.1%

The amounts presented for each fiscal year were determined as of December 31 of the preceding year.

# MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN

## Required Supplementary Information

### Schedule of City Contributions

Last Fiscal Year (ultimately ten years will be displayed)

#### Schedule of Contributions

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as Percentage of Covered-Employee Payroll
2015	\$ -	\$ -	\$ -	\$ 2,147,381	0.0%

#### Notes to Schedule of Contributions

Valuation Date: December 31, 2014

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

#### Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	24 years
Asset valuation method	Open; 10-year smoothed value of assets
Inflation	3.0% to 4.0%
Salary increases	4.5% in the long-term (2% and 3% for calendar years 2015 and 2016, respectively)
Investment rate of return	8.25%
Retirement age	Age-based table of rates that are specific to the type of eligibility condition. The Normal Retirement rates were first used for the December 31, 2009 actuarial valuations. The Early Retirement rates were first used for the December 31, 1994 Group Annuity Mortality Table of a 50% Male and 50% Female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.
Mortality	

CITY OF YPSILANTI, MICHIGAN  
POLICE AND FIRE RETIREMENT SYSTEM

**Required Supplementary Information**

Schedule of Investment Returns

Last Three 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%
6/30/2015	3.70%

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

**Required Supplementary Information**

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

	2014	2015
Change in total pension liability		
Service cost	\$ 417,399	\$ 767,076
Interest	3,244,001	3,248,978
Changes of benefit terms	88,956	-
Differences between expected and actual experience	(212,827)	481,589
Changes of assumptions	(203,836)	1,407,285
Benefit payments, including refunds of member contributions	(3,078,288)	(3,806,050)
Net change in total pension liability	<u>255,405</u>	<u>2,098,878</u>
 Total pension liability, beginning	 <u>44,583,788</u>	 <u>44,839,193</u>
 Total pension liability, ending (a)	 <u>44,839,193</u>	 <u>46,938,071</u>
 Change in plan fiduciary net position		
Contributions - employer	1,358,167	1,395,423
Contributions - member	275,422	274,671
Net investment income	4,982,234	1,002,019
Benefit payments, including refunds of member contributions	(3,078,288)	(3,806,050)
Administrative expense	(60,012)	(59,069)
Net change in plan fiduciary net position	<u>3,477,523</u>	<u>(1,193,006)</u>
 Plan fiduciary net position, beginning	 <u>28,119,714</u>	 <u>31,597,237</u>
 Plan fiduciary net position, ending (b)	 <u>31,597,237</u>	 <u>30,404,231</u>
 City's net pension liability, ending (a)-(b)	 <u>\$13,241,956</u>	 <u>\$16,533,840</u>
 Plan fiduciary net position as a percentage of the total pension liability	 70.47%	 64.78%
 Covered-employee payroll	 \$ 3,440,059	 \$ 3,298,809
 City's net pension liability as a percentage of covered payroll	 384.93%	 501.21%

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

**Required Supplementary Information**

Schedule of City Contributions

Last Two Fiscal Years (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%
6/30/2015	1,395,423	1,395,423	-	3,298,809	42.3%

Notes to Schedule of Contributions

Valuation date June 30, 2015

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. During the year ended June 30, 2015, the plan experienced a change in actuarial assumptions resulting in a \$1,407,285 increase in the 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	29 years for the 2015 valuation, 30 years previously
Asset valuation method	5-year smoothed market
Inflation	No explicit price inflation assumption used
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-2014 Healthy Annuitant Mortality Table

CITY OF YPSILANTI, MICHIGAN  
 OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS

Required Supplementary Information

Schedule of Funding Progress

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%
2014	4,151,206	17,973,717	13,822,511	23.1%	4,615,356	299.5%

Schedule of Employer Contributions

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%
2015	1,277,408	1,208,716	94.6%

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

# CITY OF YPSILANTI, MICHIGAN

## Combining Balance Sheet Nonmajor Governmental Funds June 30, 2015

	Special Revenue	Debt Service	Capital Projects	Totals
<b>Assets</b>				
Cash and cash equivalents	\$ 1,027,642	\$ 195,587	\$ 3,724,653	\$ 4,947,882
Accounts receivable	562	-	43,099	43,661
Due from other governments	45,508	-	61,307	106,815
Prepaid items	34,577	-	-	34,577
<b>Total assets</b>	<b>\$ 1,108,289</b>	<b>\$ 195,587</b>	<b>\$ 3,829,059</b>	<b>\$ 5,132,935</b>
<b>Liabilities</b>				
Accounts payable	\$ 49,818	\$ 600	\$ 30,875	\$ 81,293
Accrued liabilities	22,663	-	-	22,663
Due to other governments	1,687	-	88,598	90,285
Tax refunds payable	27,831	44,345	-	72,176
Unearned revenue	-	-	224,658	224,658
<b>Total liabilities</b>	<b>101,999</b>	<b>44,945</b>	<b>344,131</b>	<b>491,075</b>
<b>Fund balances</b>				
Nonspendable -				
Prepaid items	34,577	-	-	34,577
Restricted for:				
Major and local streets	896,440	-	-	896,440
Drug law enforcement	81,533	-	-	81,533
Public transportation	28,317	-	-	28,317
Debt service	-	150,642	2,731,666	2,882,308
Committed for capital projects	-	-	753,262	753,262
Unassigned (deficit)	(34,577)	-	-	(34,577)
<b>Total fund balances</b>	<b>1,006,290</b>	<b>150,642</b>	<b>3,484,928</b>	<b>4,641,860</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,108,289</b>	<b>\$ 195,587</b>	<b>\$ 3,829,059</b>	<b>\$ 5,132,935</b>

# CITY OF YPSILANTI, MICHIGAN

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

Nonmajor Governmental Funds  
For the Year Ended June 30, 2015

	Special Revenue	Debt Service	Capital Projects	Totals
<b>Revenues</b>				
Taxes and special assessments	\$ 1,082,445	\$ 1,363,778	\$ -	\$ 2,446,223
Licenses and permits	4,860	-	44,166	49,026
Intergovernmental	283,912	545,791	2,336,807	3,166,510
Investment earnings	4,254	1,924	23,329	29,507
Other revenues	149,496	-	190	149,686
<b>Total revenues</b>	<b>1,524,967</b>	<b>1,911,493</b>	<b>2,404,492</b>	<b>5,840,952</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	-	-	537,181	537,181
Public safety	8,866	-	77,085	85,951
Public works	-	-	329,767	329,767
Refuse collection	859,180	-	-	859,180
Highways, streets and bridges	448,846	-	-	448,846
Community development	-	-	160	160
Public transportation	267,238	-	-	267,238
Tax tribunal refunds	18,587	23,049	-	41,636
<b>Debt service:</b>				
Principal	-	1,825,000	1,335,000	3,160,000
Interest and fiscal charges	-	105,099	906,524	1,011,623
<b>Total expenditures</b>	<b>1,602,717</b>	<b>1,953,148</b>	<b>3,185,717</b>	<b>6,741,582</b>
Revenues under expenditures	(77,750)	(41,655)	(781,225)	(900,630)
<b>Other financing sources (uses)</b>				
Issuance of refunding bonds	-	-	215,663	215,663
Transfers in	225,709	36,113	292,739	554,561
Transfers out	-	-	(168,408)	(168,408)
<b>Total other financing sources (uses)</b>	<b>225,709</b>	<b>36,113</b>	<b>339,994</b>	<b>601,816</b>
Net changes in fund balances	147,959	(5,542)	(441,231)	(298,814)
Fund balances, beginning of year	858,331	156,184	3,926,159	4,940,674
<b>Fund balances, end of year</b>	<b>\$ 1,006,290</b>	<b>\$ 150,642</b>	<b>\$ 3,484,928</b>	<b>\$ 4,641,860</b>

CITY OF YPSILANTI, MICHIGAN

**Combining Balance Sheet**

Nonmajor Special Revenue Funds

June 30, 2015

	Local Streets	Garbage and Rubbish Collection	Police	Public Transportation	Total
<b>Assets</b>					
Cash and cash equivalents	\$ 864,574	\$ 37,884	\$ 95,180	\$ 30,004	\$ 1,027,642
Accounts receivable	542	20	-	-	562
Due from other governments	45,508	-	-	-	45,508
Prepaid items	-	34,577	-	-	34,577
<b>Total assets</b>	<b>\$ 910,624</b>	<b>\$ 72,481</b>	<b>\$ 95,180</b>	<b>\$ 30,004</b>	<b>\$ 1,108,289</b>
<b>Liabilities</b>					
Accounts payable	\$ 10,411	\$ 39,407	\$ -	\$ -	\$ 49,818
Accrued liabilities	3,773	5,243	13,647	-	22,663
Due to other governments	-	-	-	1,687	1,687
Tax refunds payable	-	27,831	-	-	27,831
<b>Total liabilities</b>	<b>14,184</b>	<b>72,481</b>	<b>13,647</b>	<b>1,687</b>	<b>101,999</b>
<b>Fund balances</b>					
Nonspendable - prepaid items	-	34,577	-	-	34,577
Restricted for:					
Major and local streets	896,440	-	-	-	896,440
Drug law enforcement	-	-	81,533	-	81,533
Public transportation	-	-	-	28,317	28,317
Unassigned (deficit)	-	(34,577)	-	-	(34,577)
<b>Total fund balances</b>	<b>896,440</b>	<b>-</b>	<b>81,533</b>	<b>28,317</b>	<b>1,006,290</b>
<b>Total liabilities and fund balances</b>	<b>\$ 910,624</b>	<b>\$ 72,481</b>	<b>\$ 95,180</b>	<b>\$ 30,004</b>	<b>\$ 1,108,289</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, 2015

	Local Streets	Garbage and Rubbish Collection	Police	Public Transportation	Total
<b>Revenues</b>					
Taxes and special assessments	\$ -	\$ 797,103	\$ -	\$ 285,342	\$ 1,082,445
Licenses and permits	4,860	-	-	-	4,860
Intergovernmental	283,912	-	-	-	283,912
Investment earnings	3,123	786	297	48	4,254
Other revenues	75,176	23,099	51,221	-	149,496
<b>Total revenues</b>	<b>367,071</b>	<b>820,988</b>	<b>51,518</b>	<b>285,390</b>	<b>1,524,967</b>
<b>Expenditures</b>					
Public safety	-	-	8,866	-	8,866
Refuse collection	-	859,180	-	-	859,180
Highways, streets and bridges	448,846	-	-	-	448,846
Public transportation	-	-	-	267,238	267,238
Tax tribunal refunds	-	17,397	-	1,190	18,587
<b>Total expenditures</b>	<b>448,846</b>	<b>876,577</b>	<b>8,866</b>	<b>268,428</b>	<b>1,602,717</b>
Revenues over (under) expenditures	(81,775)	(55,589)	42,652	16,962	(77,750)
<b>Other financing sources (uses)</b>					
Transfers in	170,120	55,589	-	-	225,709
Net changes in fund balances	88,345	-	42,652	16,962	147,959
Fund balances, beginning of year	808,095	-	38,881	11,355	858,331
Fund balances, end of year	\$ 896,440	\$ -	\$ 81,533	\$ 28,317	\$ 1,006,290

# 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, 2015

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
<b>Revenues</b>				
Licenses and permits	\$ 2,000	\$ 4,500	\$ 4,860	\$ 360
Intergovernmental - state	274,946	279,535	283,912	4,377
Investment earnings	2,000	3,000	3,123	123
Other revenues	19,200	17,400	75,176	57,776
<b>Total revenues</b>	<b>298,146</b>	<b>304,435</b>	<b>367,071</b>	<b>62,636</b>
<b>Expenditures</b>				
Highways, streets and bridges:				
Routine maintenance	342,943	297,796	258,685	(39,111)
Traffic services	29,212	34,950	32,045	(2,905)
Winter maintenance	177,540	116,515	141,433	24,918
Administration	27,400	9,354	16,683	7,329
<b>Total expenditures</b>	<b>577,095</b>	<b>458,615</b>	<b>448,846</b>	<b>(9,769)</b>
Revenues (under) expenditures	(278,949)	(154,180)	(81,775)	72,405
<b>Other financing sources</b>				
Transfers in	180,987	181,993	170,120	(11,873)
<b>Total other sources</b>	<b>180,987</b>	<b>181,993</b>	<b>170,120</b>	<b>(11,873)</b>
Net changes in fund balance	(97,962)	27,813	88,345	60,532
Fund balance, beginning of year	808,095	808,095	808,095	-
<b>Fund balance, end of year</b>	<b>\$ 710,133</b>	<b>\$ 835,908</b>	<b>\$ 896,440</b>	<b>\$ 60,532</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, 2015

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes and special assessments	\$ 785,446	\$ 798,109	\$ 797,103	\$ (1,006)
Investment earnings	640	1,000	786	(214)
Other revenues	23,215	23,500	23,099	(401)
<b>Total revenues</b>	<u>809,301</u>	<u>822,609</u>	<u>820,988</u>	<u>(1,621)</u>
<b>Expenditures</b>				
Refuse collection	850,593	875,392	859,180	(16,212)
Tax tribunal refunds	1,500	19,200	17,397	(1,803)
<b>Total expenditures</b>	<u>852,093</u>	<u>894,592</u>	<u>876,577</u>	<u>(18,015)</u>
Revenues (under) expenditures	(42,792)	(71,983)	(55,589)	16,394
<b>Other financing sources</b>				
Transfers in	26,234	62,080	55,589	(6,491)
Net changes in fund balance	(16,558)	(9,903)	-	9,903
Fund balance, beginning of year	-	-	-	-
<b>Fund balance, end of year</b>	<u>\$ (16,558)</u>	<u>\$ (9,903)</u>	<u>\$ -</u>	<u>\$ 9,903</u>

# CITY OF YPSILANTI, MICHIGAN

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

Budget and Actual - Police Fund

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Revenues				
Investment earnings	\$ 650	\$ 260	\$ 297	\$ 37
Other revenues	10,000	51,221	51,221	-
Total revenues	10,650	51,481	51,518	37
Expenditures				
Public safety	1,500	10,849	8,866	(1,983)
Net changes in fund balance	9,150	40,632	42,652	2,020
Fund balance, beginning of year	38,881	38,881	38,881	-
Fund balance, end of year	\$ 48,031	\$ 79,513	\$ 81,533	\$ 2,020

# 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, 2015

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Revenues				
Taxes and special assessments	\$ 276,136	\$ 280,350	\$ 285,342	\$ 4,992
Investment earnings	280	(10)	48	58
Total revenues	<u>276,416</u>	<u>280,340</u>	<u>285,390</u>	<u>5,050</u>
Expenditures				
Public transportation	278,766	277,840	267,238	(10,602)
Tax tribunal refunds	500	2,500	1,190	(1,310)
Total expenditures	<u>279,266</u>	<u>280,340</u>	<u>268,428</u>	<u>(11,912)</u>
Net changes in fund balance	(2,850)	-	16,962	16,962
Fund balance, beginning of year	<u>11,355</u>	<u>11,355</u>	<u>11,355</u>	<u>-</u>
Fund balance, end of year	<u>\$ 8,505</u>	<u>\$ 11,355</u>	<u>\$ 28,317</u>	<u>\$ 16,962</u>

# CITY OF YPSILANTI, MICHIGAN

## Combining Balance Sheet Nonmajor Debt Service Funds June 30, 2015

	2002 General Obligation Bonds	2002-B Revenue Bonds	Water Supply and Sewer Refunding
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
<b>Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ -
Tax refunds payable	-	-	-
<b>Total liabilities</b>	-	-	-
<b>Fund balances</b>			
Restricted for debt service	-	-	-
<b>Total liabilities and fund balances</b>	\$ -	\$ -	\$ -



2010 Refunding Bonds Debt Service	2012 Refunding Bonds Debt Service	Total
<u>\$ 81,192</u>	<u>\$ 114,395</u>	<u>\$ 195,587</u>
\$ -	\$ 600	\$ 600
<u>21,893</u>	<u>22,452</u>	<u>44,345</u>
21,893	23,052	44,945
<u>59,299</u>	<u>91,343</u>	<u>150,642</u>
<u>\$ 81,192</u>	<u>\$ 114,395</u>	<u>\$ 195,587</u>

# CITY OF YPSILANTI, MICHIGAN

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

Nonmajor Debt Service Funds

For the Year Ended June 30, 2015

	2002 General Obligation Bonds	2002-B Revenue Bonds	Water Supply and Sewer Refunding
<b>Revenues</b>			
Taxes and special assessments	\$ -	\$ -	\$ -
Intergovernmental	-	30,438	515,353
Investment earnings	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total revenues</b>	<hr/> -	<hr/> 30,438	<hr/> 515,353
<b>Expenditures</b>			
Tax tribunal refunds	-	-	-
Debt service:			
Principal	30,000	25,000	505,000
Interest and fiscal charges	6,113	5,438	10,353
	<hr/>	<hr/>	<hr/>
<b>Total expenditures</b>	<hr/> 36,113	<hr/> 30,438	<hr/> 515,353
<b>Revenues (under) expenditures</b>	(36,113)	-	-
<b>Other financing sources</b>			
Transfers in	36,113	-	-
	<hr/>	<hr/>	<hr/>
<b>Net changes in fund balances</b>	-	-	-
<b>Fund balances, beginning of year</b>	<hr/> -	<hr/> -	<hr/> -
<b>Fund balances, end of year</b>	<hr/> <hr/> \$ -	<hr/> <hr/> \$ -	<hr/> <hr/> \$ -



2010 Refunding Bonds Debt Service	2012 Refunding Bonds Debt Service	Total
\$ 693,590	\$ 670,188	\$ 1,363,778
-	-	545,791
948	976	1,924
<u>694,538</u>	<u>671,164</u>	<u>1,911,493</u>
11,405	11,644	23,049
645,000	620,000	1,825,000
40,413	42,782	105,099
<u>696,818</u>	<u>674,426</u>	<u>1,953,148</u>
(2,280)	(3,262)	(41,655)
-	-	36,113
(2,280)	(3,262)	(5,542)
<u>61,579</u>	<u>94,605</u>	<u>156,184</u>
<u>\$ 59,299</u>	<u>\$ 91,343</u>	<u>\$ 150,642</u>

CITY OF YPSILANTI, MICHIGAN

**Combining Balance Sheet**  
 Nonmajor Capital Projects Funds  
 June 30, 2015

	Capital Improvement Reserve	Sidewalk Improvement	2003-D Water Supply and Sewer	2004-B Water and Sewer	2003-C Water and Sewer	Land Revolving Capital Projects
<b>Assets</b>						
Cash and cash equivalents	\$ 619,349	\$ 222,351	\$ -	\$ -	\$ -	\$ 241,775
Accounts receivable	24,772	1,737	-	-	-	-
Interfund receivable	-	-	-	-	-	-
Due from other governments	15,109	45,667	-	-	-	-
<b>Total assets</b>	<b>\$ 659,230</b>	<b>\$ 269,755</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 241,775</b>
<b>Liabilities</b>						
Accounts payable	\$ 30,875	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund payable	-	-	-	-	-	-
Due to other governments	88,598	-	-	-	-	-
Unearned revenue	56,250	-	-	-	-	168,408
<b>Total liabilities</b>	<b>175,723</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>168,408</b>
<b>Fund balances</b>						
Restricted for debt service	-	-	-	-	-	73,367
Committed for capital projects	483,507	269,755	-	-	-	-
<b>Total fund balances</b>	<b>483,507</b>	<b>269,755</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73,367</b>
<b>Total liabilities and fund balances</b>	<b>\$ 659,230</b>	<b>\$ 269,755</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 241,775</b>

2006 Water and Sewer Refunding	2007 Water and Sewer DWRP	2008 Water and Sewer DWRP	2009 Water and Sewer DWRP	Factory Street Pump Station	2013 Revenue Refunding Bonds	2015 Water and Sewer DWRP	Totals
\$ -	\$ -	\$ -	\$ -	\$ 824,706	\$ 1,816,472	\$ -	\$ 3,724,653
-	-	-	-	4,867	11,723	-	43,099
-	-	-	-	-	531	-	531
-	-	-	-	-	-	531	61,307
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 829,573</u>	<u>\$ 1,828,726</u>	<u>\$ 531</u>	<u>\$ 3,829,590</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,875
-	-	-	-	-	-	531	531
-	-	-	-	-	-	-	88,598
-	-	-	-	-	-	-	224,658
-	-	-	-	-	-	531	344,662
-	-	-	-	829,573	1,828,726	-	2,731,666
-	-	-	-	-	-	-	753,262
-	-	-	-	829,573	1,828,726	-	3,484,928
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 829,573</u>	<u>\$ 1,828,726</u>	<u>\$ 531</u>	<u>\$ 3,829,590</u>

CITY OF YPSILANTI, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Nonmajor Capital Projects Funds  
 For the Year Ended June 30, 2015

	Capital Improvement Reserve	Sidewalk Improvement	2003-D Water Supply and Sewer	2004-B Water and Sewer	2003-C Water and Sewer	Land Revolving Capital Projects
<b>Revenues</b>						
Licenses and permits	\$ -	\$ 44,166	\$ -	\$ -	\$ -	\$ -
Intergovernmental	47,901	49,690	336,063	387,669	50,500	-
Investment earnings (loss)	2,235	1,013	-	-	-	1,061
Other revenues	-	190	-	-	-	-
<b>Total revenues</b>	<b>50,136</b>	<b>95,059</b>	<b>336,063</b>	<b>387,669</b>	<b>50,500</b>	<b>1,061</b>
<b>Expenditures</b>						
General government	537,181	-	-	-	-	-
Public safety	77,085	-	-	-	-	-
Public works	-	93,540	-	-	-	-
Community development	-	-	-	-	-	160
Debt service:						
Principal	-	-	265,000	310,000	40,000	-
Interest and fiscal charges	-	-	71,063	77,669	10,500	-
<b>Total expenditures</b>	<b>614,266</b>	<b>93,540</b>	<b>336,063</b>	<b>387,669</b>	<b>50,500</b>	<b>160</b>
Revenues over (under) expenditures	(564,130)	1,519	-	-	-	901
<b>Other financing sources (uses)</b>						
Issuance of refunding bonds	-	-	-	-	-	-
Transfers in	292,739	-	-	-	-	-
Transfers out	-	-	-	-	-	(168,408)
<b>Total other financing sources (uses)</b>	<b>292,739</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(168,408)</b>
Net changes in fund balances	(271,391)	1,519	-	-	-	(167,507)
Fund balances, beginning of year	754,898	268,236	-	-	-	240,874
<b>Fund balances, end of year</b>	<b>\$ 483,507</b>	<b>\$ 269,755</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 73,367</b>

2006 Water and Sewer Refunding	2007 Water and Sewer DWRP	2008 Water and Sewer DWRP	2009 Water and Sewer DWRP	Factory Street Pump Station	2013 Revenue Refunding Bonds	2015 Water and Sewer DWRP	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,166
419,506	19,594	28,231	7,913	184,709	804,500	531	2,336,807
-	-	-	-	5,938	13,082	-	23,329
-	-	-	-	-	-	-	190
419,506	19,594	28,231	7,913	190,647	817,582	531	2,404,492
-	-	-	-	-	-	-	537,181
-	-	-	-	-	-	-	77,085
-	-	-	-	170,518	13,779	51,930	329,767
-	-	-	-	-	-	-	160
25,000	15,000	20,000	5,000	115,000	540,000	-	1,335,000
394,506	4,594	8,231	2,913	69,709	267,339	-	906,524
419,506	19,594	28,231	7,913	355,227	821,118	51,930	3,185,717
-	-	-	-	(164,580)	(3,536)	(51,399)	(781,225)
-	-	-	-	164,264	-	51,399	215,663
-	-	-	-	-	-	-	292,739
-	-	-	-	-	-	-	(168,408)
-	-	-	-	164,264	-	51,399	339,994
-	-	-	-	(316)	(3,536)	-	(441,231)
-	-	-	-	829,889	1,832,262	-	3,926,159
\$ -	\$ -	\$ -	\$ -	\$ 829,573	\$ 1,828,726	\$ -	\$ 3,484,928

concluded.

# CITY OF YPSILANTI, MICHIGAN

## Combining Statement of Net Position

Internal Service Funds

June 30, 2015

	Motor Pool	Workers' Compensation	Retiree Health Care Benefits	Total
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 1,869,631	\$ 236,090	\$ 1,241,093	\$ 3,346,814
Investments	302,600	599,462	-	902,062
Accounts receivable	862	-	2,198	3,060
Inventory	10,371	-	-	10,371
Prepaid items	-	-	69,674	69,674
<b>Total current assets</b>	<b>2,183,464</b>	<b>835,552</b>	<b>1,312,965</b>	<b>4,331,981</b>
Noncurrent assets - capital assets, net	1,887,570	-	-	1,887,570
<b>Total assets</b>	<b>4,071,034</b>	<b>835,552</b>	<b>1,312,965</b>	<b>6,219,551</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and accrued liabilities	28,152	6,524	636	35,312
Due to other funds	-	-	-	-
Current portion of capital leases payable	20,714	-	-	20,714
Current portion of claims payable	-	266,600	-	266,600
<b>Total current liabilities</b>	<b>48,866</b>	<b>273,124</b>	<b>636</b>	<b>322,626</b>
Noncurrent liabilities:				
Capital leases payable, net	113,072	-	-	113,072
Claims payable, net	-	155,472	-	155,472
<b>Total noncurrent liabilities</b>	<b>113,072</b>	<b>155,472</b>	<b>-</b>	<b>268,544</b>
<b>Total liabilities</b>	<b>161,938</b>	<b>428,596</b>	<b>636</b>	<b>591,170</b>
<b>Net position</b>				
Investment in capital assets	1,887,570	-	-	1,887,570
Unrestricted	2,021,526	406,956	1,312,329	3,740,811
<b>Total net position</b>	<b>\$ 3,909,096</b>	<b>\$ 406,956</b>	<b>\$ 1,312,329</b>	<b>\$ 5,628,381</b>

# CITY OF YPSILANTI, MICHIGAN

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

Internal Service Funds

For the Year Ended June 30, 2015

	Motor Pool	Workers' Compensation	Retiree Health Care Benefits	Total
Operating revenues				
Charges for services	\$ 551,029	\$ 74,155	\$ 1,488,635	\$ 2,113,819
Operating expenses				
Salaries, taxes and benefits	200,062	-	-	200,062
Gas, oil and fuel	150,849	-	-	150,849
Depreciation	386,137	-	-	386,137
Operation and maintenance	141,470	-	-	141,470
Contractual services and fees	119,226	127,955	-	247,181
Insurance and other	49,334	-	-	49,334
Benefits and claims	-	(89,165)	1,208,716	1,119,551
Total operating expenses	1,047,078	38,790	1,208,716	2,294,584
Operating income (loss)	(496,049)	35,365	279,919	(180,765)
Nonoperating revenues				
Investment income	37,321	59,160	4,030	100,511
Gain on sale of equipment	128,464	-	-	128,464
Total nonoperating revenues	165,785	59,160	4,030	228,975
Income (loss) before transfers	(330,264)	94,525	283,949	48,210
Transfers out	(55,589)	-	-	(55,589)
Change in net position	(385,853)	94,525	283,949	(7,379)
Net position, beginning of year	4,294,949	312,431	1,028,380	5,635,760
Net position, end of year	\$ 3,909,096	\$ 406,956	\$ 1,312,329	\$ 5,628,381

CITY OF YPSILANTI, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2015

	Motor Pool	Workers' Compensation	Retiree Health Care Benefits	Total
<b>Cash flows from operating activities</b>				
Cash received from interfund services	\$ 551,650	\$ 74,155	\$ 1,516,829	\$ 2,142,634
Cash payments to employees	(200,062)	-	-	(200,062)
Cash payments for claims	-	(155,257)	(1,208,425)	(1,363,682)
Cash payments to suppliers for goods and services	(438,285)	(148,394)	(12,909)	(599,588)
<b>Net cash provided by (used in) operating activities</b>	<b>(86,697)</b>	<b>(229,496)</b>	<b>295,495</b>	<b>(20,698)</b>
<b>Cash flows from non-capital financing activities</b>				
Transfer to other funds	(55,589)	-	-	(55,589)
<b>Cash flows from capital and related financing activities</b>				
Purchase of capital assets	(906,889)	-	-	(906,889)
Issue capital lease	158,433	-	-	158,433
Principal paid on capital lease	(24,647)	-	-	(24,647)
Proceeds from sale of capital assets	128,464	-	-	128,464
<b>Net cash used in capital and related financing activities</b>	<b>(644,639)</b>	<b>-</b>	<b>-</b>	<b>(644,639)</b>
<b>Cash flows from investing activities</b>				
Maturity of investments	304,122	289,840	-	593,962
Investment income	37,321	59,160	4,030	100,511
<b>Net cash provided by investing activities</b>	<b>341,443</b>	<b>349,000</b>	<b>4,030</b>	<b>694,473</b>
<b>Net change in cash and cash equivalents</b>	<b>(445,482)</b>	<b>119,504</b>	<b>299,525</b>	<b>(26,453)</b>
Cash and cash equivalents, beginning of year	2,315,113	116,586	941,568	3,373,267
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,869,631</b>	<b>\$ 236,090</b>	<b>\$ 1,241,093</b>	<b>\$ 3,346,814</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) in operating activities</b>				
Operating income (loss)	\$ (496,049)	\$ 35,365	\$ 279,919	\$ (180,765)
Adjustments to reconcile operating income (loss) to net cash provided (used) in operating activities:				
Depreciation	386,137	-	-	386,137
Changes in:				
Accounts receivable	621	-	28,194	28,815
Inventory	20,547	-	-	20,547
Prepaid items	-	-	(12,909)	(12,909)
Accounts payable and accrued liabilities	2,047	(20,439)	291	(18,101)
Claims payable	-	(244,422)	-	(244,422)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (86,697)</b>	<b>\$ (229,496)</b>	<b>\$ 295,495</b>	<b>\$ (20,698)</b>

# CITY OF YPSILANTI, MICHIGAN

## Statement of Changes in Assets and Liabilities

Current Tax Agency Fund

For the Year Ended June 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 31,549,436	\$ 31,549,436	\$ -
Accrued interest receivable	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 31,549,436</b>	<b>\$ 31,549,436</b>	<b>\$ -</b>
<b>Liabilities</b>				
Undistributed receipts	\$ -	\$ 31,549,436	\$ 31,549,436	\$ -

CITY OF YPSILANTI, MICHIGAN

Statement of Net Position and Governmental Funds Balance Sheet

Downtown Development Authority Component Unit

June 30, 2015

	General Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
<b>Assets</b>					
Cash and cash equivalents	\$ 204,444	\$ -	\$ 204,444	\$ -	\$ 204,444
Capital assets being depreciated, net	-	-	-	1,655,044	1,655,044
<b>Total assets</b>	<b>\$ 204,444</b>	<b>\$ -</b>	<b>\$ 204,444</b>	<b>1,655,044</b>	<b>1,859,488</b>
<b>Liabilities</b>					
Accounts payable	\$ 16,145	\$ -	\$ 16,145	-	16,145
Accrued liabilities	8,503	-	8,503	4,758	13,261
Due to other governments	365	-	365	-	365
Unearned revenue	16,500	-	16,500	-	16,500
Long-term liabilities:					
Due within one year	-	-	-	56,066	56,066
Due in more than one year	-	-	-	560,000	560,000
<b>Total liabilities</b>	<b>41,513</b>	<b>-</b>	<b>41,513</b>	<b>620,824</b>	<b>662,337</b>
<b>Fund balances / net position</b>					
Unassigned	162,931	-	162,931	(162,931)	-
<b>Total liabilities and fund balances</b>	<b>\$ 204,444</b>	<b>\$ -</b>	<b>\$ 204,444</b>		
<b>Net position</b>					
Net investment in capital assets				1,038,978	1,038,978
Unrestricted				158,173	158,173
<b>Total net position</b>				<b>\$ 1,197,151</b>	<b>\$ 1,197,151</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, 2015

	General Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Expenditures/expenses					
Community development	\$ 201,424	\$ -	\$ 201,424	\$ 105,052	\$ 306,476
Debt service:					
Principal	-	55,000	55,000	(55,000)	-
Interest and fiscal charges	-	24,925	24,925	4,758	29,683
<b>Total expenditures/expenses</b>	<b>201,424</b>	<b>79,925</b>	<b>281,349</b>	<b>54,810</b>	<b>336,159</b>
General revenues					
Property taxes	227,847	-	227,847	-	227,847
Other revenues	10,283	-	10,283	-	10,283
Investment earnings	1,161	-	1,161	-	1,161
<b>Total general revenues</b>	<b>239,291</b>	<b>-</b>	<b>239,291</b>	<b>-</b>	<b>239,291</b>
Excess of general revenues over (under) expenditures/expenses	37,867	(79,925)	(42,058)	(54,810)	(96,868)
Other financing sources (uses)					
Transfers in	-	79,925	79,925	(79,925)	-
Transfers out	(79,925)	-	(79,925)	79,925	-
<b>Total other financing sources (uses)</b>	<b>(79,925)</b>	<b>79,925</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net changes in fund balances	(42,058)	-	(42,058)	42,058	-
Change in net position	-	-	-	(96,868)	(96,868)
Fund balance/net position, beginning of year	204,989	-	204,989	1,089,030	1,294,019
<b>Fund balance/net position, end of year</b>	<b>\$ 162,931</b>	<b>\$ -</b>	<b>\$ 162,931</b>	<b>\$ 1,034,220</b>	<b>\$ 1,197,151</b>

# CITY OF YPSILANTI, MICHIGAN

## Statement of Net Position and Governmental Funds Balance Sheet

Depot Town Downtown Development Authority Component Unit

June 30, 2015

	General Fund	Adjustments	Statement of Net Position
<b>Assets</b>			
Cash and cash equivalents	\$ 263,934	\$ -	\$ 263,934
Accounts receivable	515	-	515
Capital assets being depreciated, net	-	316,640	316,640
<b>Total assets</b>	<b>\$ 264,449</b>	<b>316,640</b>	<b>581,089</b>
<b>Liabilities</b>			
Accounts payable	\$ 6,354	-	6,354
Accrued liabilities	-	87	87
Due to other governments	15,071	-	15,071
Unearned revenue	10,000	-	10,000
Long-term liabilities:			
Due within one year	-	7,272	7,272
Due in more than one year	-	-	-
<b>Total liabilities</b>	<b>31,425</b>	<b>7,359</b>	<b>38,784</b>
<b>Fund balances / net position</b>			
Unassigned	233,024	(233,024)	-
<b>Total liabilities and fund balances</b>	<b>\$ 264,449</b>		
<b>Net position</b>			
Net investment in capital assets		309,368	309,368
Unrestricted		232,937	232,937
<b>Total net position</b>		<b>\$ 542,305</b>	<b>\$ 542,305</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, 2015

	General Fund	Adjustments	Statement of Activities
Expenditures/expenses			
Community development	\$ 139,488	\$ 6,580	\$ 146,068
Debt service:			
Principal	19,466	(19,466)	-
Interest and fiscal charges	-	87	87
	<u>158,954</u>	<u>(12,799)</u>	<u>146,155</u>
Total expenditures/expenses	158,954	(12,799)	146,155
Program revenues			
Operating grants and contributions	10,000	-	10,000
	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net program (expense) revenue	(148,954)	12,799	(136,155)
General revenues			
Property taxes	103,588	-	103,588
Investment earnings	1,272	-	1,272
	<u>104,860</u>	<u>-</u>	<u>104,860</u>
Total general revenues	104,860	-	104,860
Net change in fund balance	(44,094)	44,094	-
Change in net position	-	(31,295)	(31,295)
Fund balance/net position, beginning of year	277,118	296,482	573,600
	<u>277,118</u>	<u>296,482</u>	<u>573,600</u>
Fund balance/net position, end of year	\$ 233,024	\$ 309,281	\$ 542,305
	<u>\$ 233,024</u>	<u>\$ 309,281</u>	<u>\$ 542,305</u>

# CITY OF YPSILANTI, MICHIGAN

## Statement of Net Position and Governmental Funds Balance Sheet

Economic Development Corporation

June 30, 2015

	General Fund	Adjustments	Statement of Net Position
<b>Assets</b>			
Cash and cash equivalents	\$ 135,119	\$ -	\$ 135,119
Capital assets not being depreciated	-	53,200	53,200
<b>Total assets</b>	<u>\$ 135,119</u>	<u>53,200</u>	<u>188,319</u>
<b>Fund balances / net position</b>			
Unassigned	135,119	(135,119)	-
<b>Total liabilities and fund balances</b>	<u>\$ 135,119</u>		
<b>Net position</b>			
Investment in capital assets		53,200	53,200
Unrestricted		135,119	135,119
<b>Total net position</b>		<u>\$ 188,319</u>	<u>\$ 188,319</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, 2015

	General Fund	Adjustments	Statement of Activities
Expenditures/expenses			
Community development	\$ 1,597	\$ -	\$ 1,597
General revenues			
Investment earnings	860	-	860
	<u>          </u>	<u>          </u>	<u>          </u>
Net changes in fund balances	(737)	737	-
Change in net position	-	(737)	(737)
Fund balance/net position, beginning of year	135,856	53,200	189,056
	<u>          </u>	<u>          </u>	<u>          </u>
Fund balance/net position, end of year	<u>\$ 135,119</u>	<u>\$ 53,200</u>	<u>\$ 188,319</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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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)*

	2006	2007	2008	2009
Governmental activities				
Net investment in				
capital assets	\$ 12,857,112	\$ 15,049,123	\$ 15,179,422	\$ 15,117,105
Restricted	9,093,066	7,108,155	10,909,451	10,406,691
Unrestricted (deficit)	<u>(10,295,576)</u>	<u>(7,045,772)</u>	<u>(9,406,528)</u>	<u>(6,404,471)</u>
 Total governmental activities				
net position	<u>\$ 11,654,602</u>	<u>\$ 15,111,506</u>	<u>\$ 16,682,345</u>	<u>\$ 19,119,325</u>

Source: City of Ypsilanti Finance Department

Note: GASB 68 implemented in fiscal 2015.



2010	2011	2012	2013	2014	2015
\$ 14,987,983	\$ 16,952,331	\$ 16,911,390	\$ 15,636,305	\$ 16,524,392	\$ 16,749,695
10,975,911	11,357,896	11,083,068	7,631,866	4,545,511	5,526,780
<u>(6,202,344)</u>	<u>(6,850,753)</u>	<u>(7,091,726)</u>	<u>(6,545,637)</u>	<u>(5,553,659)</u>	<u>(15,426,971)</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>	<u>\$ 6,849,504</u>

# CITY OF YPSILANTI, MICHIGAN

## Changes in Net Position

Last Ten Years

(accrual basis of accounting)

	2006	2007	2008	2009
<b>Expenses</b>				
General government	\$ 1,679,364	\$ 2,021,481	\$ 2,212,245	\$ 2,788,130
Public safety	8,185,587	9,601,958	9,618,481	8,563,993
Public works	6,423,905	4,470,462	2,084,186	1,935,048
Highways, streets, and bridges	1,736,108	2,022,071	2,562,769	3,165,639
Culture and recreation	1,013,582	784,039	570,113	465,538
Community development	439,851	415,116	340,815	330,041
Public transportation	-	-	-	-
Interest on long-term debt	2,866,288	2,514,514	2,834,154	2,710,134
<b>Total expenses</b>	<b>22,344,685</b>	<b>21,829,641</b>	<b>20,222,763</b>	<b>19,958,523</b>
<b>Program revenues</b>				
Charges for services:				
General government	462,082	544,717	1,097,252	1,445,822
Public safety	570,059	499,197	720,555	947,998
Public works	538,989	516,539	-	-
Highways, streets and bridges	-	-	-	-
Culture and recreation	138,705	87,033	-	-
Community development	-	-	1,250	1,200
Operating grants and contributions	2,433,593	2,878,483	3,504,349	3,734,396
Capital grants and contributions	3,087,106	4,891,245	672,269	94,250
<b>Total program revenues</b>	<b>7,230,534</b>	<b>9,417,214</b>	<b>5,995,675</b>	<b>6,223,666</b>
<b>Net (expense) / revenue</b>	<b>(15,114,151)</b>	<b>(12,412,427)</b>	<b>(14,227,088)</b>	<b>(13,734,857)</b>
<b>General revenues</b>				
Property taxes	10,560,479	11,310,693	11,503,422	12,098,938
Unrestricted grants and contributions	3,338,792	3,276,430	3,070,879	3,000,840
Unrestricted investment earnings (loss)	(284,207)	1,118,294	1,223,621	817,091
Other general revenues	5,183	163,914	-	-
<b>Total general revenues</b>	<b>13,620,247</b>	<b>15,869,331</b>	<b>15,797,922</b>	<b>15,916,869</b>
<b>Special item</b>				
Change in fair value of land held for resale	-	-	-	-
<b>Change in net position</b>	<b>\$ (1,493,904)</b>	<b>\$ 3,456,904</b>	<b>\$ 1,570,834</b>	<b>\$ 2,182,012</b>

Source: City of Ypsilanti Finance Department

Table 2  
Unaudited

2010	2011	2012	2013	2014	2015
\$ 3,075,617	\$ 3,326,238	\$ 2,866,101	\$ 2,083,855	\$ 1,690,255	\$ 2,894,307
8,638,877	8,257,558	8,601,201	7,908,177	8,878,722	9,667,739
2,031,833	1,980,913	2,015,694	4,067,582	5,542,347	1,815,800
3,612,341	1,192,916	2,823,389	3,921,320	3,143,348	3,732,864
435,711	69,221	367,484	408,367	366,668	419,667
229,274	189,050	184,244	292,867	255,416	361,966
-	-	262,320	308,564	275,386	268,428
2,748,116	2,481,838	2,329,834	2,095,288	2,103,523	1,858,619
<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>	<u>21,019,390</u>
1,153,950	1,121,010	1,241,641	1,419,828	2,320,700	1,780,054
959,591	1,098,886	935,124	1,197,437	786,308	722,075
-	-	-	-	-	-
-	-	93,722	-	-	-
-	-	-	-	-	-
1,200	1,200	1,200	1,500	1,552	1,500
4,930,921	3,585,313	2,712,064	4,282,348	3,829,486	4,697,877
110,078	609,256	322,858	24,258	692,619	176,177
<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>7,377,683</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>	<u>(13,641,707)</u>
11,417,456	9,907,455	10,555,401	10,309,164	10,656,453	10,606,608
2,671,507	2,670,643	2,256,140	2,342,612	2,420,667	2,483,001
169,291	201,895	775,375	(13,260)	341,590	368,451
-	-	-	-	-	-
<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>	<u>13,458,060</u>
-	-	-	(1,995,335)	-	-
<u>\$ 642,225</u>	<u>\$ 1,697,924</u>	<u>\$ (556,742)</u>	<u>\$ (3,517,468)</u>	<u>\$ (1,206,290)</u>	<u>\$ (183,647)</u>

# CITY OF YPSILANTI, MICHIGAN

## Fund Balances - Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2006	2007	2008	2009
General fund				
Nonspendable				
Committed				
Unassigned				
Reserved	\$ 99,518	\$ 311,238	\$ 284,902	\$ 208,839
Unreserved, designated	2,457,812	2,198,717	3,995,995	6,312,543
Unreserved, undesignated	1,670,594	3,078,083	2,969,171	2,947,235
<b>Total general fund</b>	<b>4,227,924</b>	<b>5,588,038</b>	<b>7,250,068</b>	<b>9,468,617</b>
All other governmental funds				
Nonspendable				
Restricted				
Committed				
Unassigned (deficit)				
Reserved	9,432,511	8,174,089	6,788,292	6,620,715
Unreserved, designated	-	429,428	609,332	609,332
Unreserved, undesignated				
reported in:				
Special revenue funds	3,370,274	1,826,258	1,858,287	1,740,343
Debt service funds	1,952,024	1,756,508	1,655,707	1,773,204
Capital projects funds	597,400	796,632	1,169,857	824,485
<b>Total all other governmental funds</b>	<b>15,352,209</b>	<b>12,982,915</b>	<b>12,081,475</b>	<b>11,568,079</b>
<b>Total governmental funds</b>	<b>\$ 19,580,133</b>	<b>\$ 18,570,953</b>	<b>\$ 19,331,543</b>	<b>\$ 21,036,696</b>

Source: City of Ypsilanti Finance Department

Table 3  
Unaudited

2010	2011	2012	2013	2014	2015
	\$ 269,199	\$ 344,707	\$ 329,819	\$ 348,324	\$ 393,356
	5,579,241	4,378,434	6,008,192	4,631,779	5,260,352
	3,545,913	3,936,006	2,201,556	2,968,262	2,530,473
\$ 206,175	-	-	-	-	-
6,820,988	-	-	-	-	-
2,436,793	-	-	-	-	-
<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>	<u>8,184,181</u>
	4,763,817	4,763,817	2,768,482	1,900,300	1,934,877
	5,671,778	4,869,060	5,327,431	3,069,197	5,979,102
	922,301	1,411,547	1,061,201	1,084,209	753,262
	-	(23,938)	(168,166)	1,832,262	(34,577)
6,302,934	-	-	-	-	-
309,560	-	-	-	-	-
2,664,551	-	-	-	-	-
1,787,942	-	-	-	-	-
861,140	-	-	-	-	-
<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>8,632,664</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>	<u>\$ 16,816,845</u>

# CITY OF YPSILANTI, MICHIGAN

## Changes in Fund Balances - Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2006	2007	2008	2009
<b>Revenues</b>				
Taxes and special assessments	\$ 10,559,261	\$ 11,310,662	\$ 11,503,422	\$ 12,098,938
Licenses and permits	617,089	576,436	665,684	657,459
Intergovernmental	7,254,893	7,750,482	7,826,046	7,667,265
Charges for services	931,525	987,433	416,730	582,283
Fines and forfeits	362,432	297,667	394,089	445,965
Investment earnings	(297,092)	932,581	912,077	743,107
Other revenues	1,410,678	1,704,958	534,781	840,477
<b>Total revenues</b>	<b>20,838,786</b>	<b>23,560,219</b>	<b>22,252,829</b>	<b>23,035,494</b>
<b>Expenditures</b>				
General government	2,300,056	2,375,208	2,409,836	2,170,189
Public safety	8,114,602	9,811,440	8,744,920	8,431,824
Public works	2,659,544	1,954,923	997,305	1,194,766
Refuse collection	1,016,505	1,079,251	1,171,953	1,184,977
Highways, streets and bridges	1,180,647	1,814,492	1,973,109	1,691,811
Culture and recreation	206,698	162,189	446,196	358,179
Community development	214,575	179,915	178,636	146,167
Public transportation	-	-	-	226,756
Unallocated employee benefits	847,947	925,577	1,161,692	1,188,986
Tax tribunal refunds	-	-	-	-
Capital outlay	2,375,227	840,776	-	-
Debt service:				
Principal	2,299,949	2,665,245	2,501,875	2,627,079
Interest and fiscal charges	3,145,864	2,766,159	2,767,662	2,692,892
<b>Total expenditures</b>	<b>24,361,614</b>	<b>24,575,175</b>	<b>22,353,184</b>	<b>21,913,626</b>
Revenues over (under) expenditures	(3,522,828)	(1,014,956)	(100,355)	1,121,868
<b>Other financing sources (uses)</b>				
Transfers in	1,924,858	1,139,551	999,347	1,219,140
Transfers out	(1,924,858)	(1,189,551)	(899,683)	(1,187,059)
Issuance of debt	16,827,648	9,895,000	297,596	503,958
Bond premium (discount)	-	-	-	-
Payment to refunding escrow agent	(12,783,348)	(9,839,224)	-	-
<b>Total other financing sources (uses)</b>	<b>4,044,300</b>	<b>5,776</b>	<b>397,260</b>	<b>536,039</b>
Special item - change in market value of land held for resale	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ 521,472</b>	<b>\$ (1,009,180)</b>	<b>\$ 296,905</b>	<b>\$ 1,657,907</b>
Debt service as a percentage of noncapital expenditures	24.8%	22.6%	25.1%	25.2%

Source: City of Ypsilanti Finance Department

Table 4  
Unaudited

2010	2011	2012	2013	2014	2015
\$ 11,417,456	\$ 9,907,455	\$ 10,555,401	\$ 10,309,164	\$ 10,656,453	\$ 10,606,608
530,812	666,586	734,250	748,417	648,881	867,227
7,880,092	8,369,061	6,678,576	7,112,100	6,851,138	9,076,428
533,974	542,669	448,341	733,730	417,906	475,814
475,530	597,265	516,393	499,099	414,468	315,907
35,676	165,346	413,204	(33,737)	182,666	270,174
716,969	541,067	680,652	671,558	1,710,943	1,193,807
<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>	<u>22,805,965</u>
2,127,907	2,433,291	2,141,990	2,214,452	2,287,975	2,797,658
8,182,781	8,326,438	8,093,201	7,264,800	7,806,628	8,048,474
912,196	848,754	788,210	2,085,725	3,597,878	902,141
1,078,414	1,065,037	1,041,143	1,112,773	1,017,678	859,180
1,540,487	1,592,516	1,740,226	1,806,267	1,476,912	2,318,364
457,372	348,756	300,134	284,251	1,136,746	309,980
544,408	498,817	75,033	92,208	32,448	55,522
158,967	218,000	262,183	308,175	274,846	267,238
964,144	878,085	950,627	1,043,139	928,133	727,865
-	-	397,353	13,735	12,712	260,020
-	-	-	-	-	-
2,738,504	2,970,000	3,175,000	3,340,000	3,535,000	3,665,000
2,705,052	2,561,716	2,326,442	2,204,172	2,157,920	1,883,263
<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>22,094,705</u>
<u>180,277</u>	<u>(951,961)</u>	<u>(1,264,725)</u>	<u>(1,729,366)</u>	<u>(3,382,421)</u>	<u>711,260</u>
2,300,123	1,639,043	2,122,966	6,759,280	4,928,666	2,140,163
(2,214,414)	(1,431,863)	(1,930,857)	(6,470,040)	(4,717,299)	(2,084,574)
87,401	3,856,253	-	5,372,551	8,993,185	215,663
-	-	-	(83,208)	433,687	-
-	(3,749,306)	-	(4,005,000)	(7,950,000)	-
<u>173,110</u>	<u>314,127</u>	<u>192,109</u>	<u>1,573,583</u>	<u>1,688,239</u>	<u>271,252</u>
-	-	-	(1,995,335)	-	-
<u>\$ 353,387</u>	<u>\$ (637,834)</u>	<u>\$ (1,072,616)</u>	<u>\$ (2,151,118)</u>	<u>\$ (1,694,182)</u>	<u>\$ 982,512</u>
<u>25.8%</u>	<u>29.9%</u>	<u>27.7%</u>	<u>26.3%</u>	<u>25.4%</u>	<u>26.7%</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	
2014	2015	\$275,672,619	\$295,131,668	\$ 16,460,800	\$ 16,460,800	\$292,133,419	\$311,592,468	35.7735
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

(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	Ann Arbor Area Transit Authority	Totals	
									Homestead	Non-Homestead
2015	35.7735	25.0000	6.0000	3.9745	6.2838	3.4576	2.8110	0.7000	66.0004	84.0004
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

Components of City Millage Rate							
Fiscal Year Ended June 30,	General Operating	Sanitation	Streets	Public Transport	Police and Fire Pension	YCUA Debt	Total
2015	19.0211	2.7814	4.6772	0.97890	8.3149	-	35.7735
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

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	2015			2005		
	Taxable Value	Rank	Percent of Total Taxable Value	Taxable Value	Rank	Percent of Total Taxable Value
Leforge Station II, LLC	\$ 5,222,707	1	1.89%	\$ -		-
DTE Electric Company	4,129,492	2	1.50%	4,956,441	2	1.80%
River Drive Apartments	3,041,630	3	1.10%	3,662,366	3	1.33%
Barnes & Barnes Properties, LLC	2,889,545	4	1.05%	-		-
DTE Gas Company	2,842,082	5	1.03%	-		-
Barnes & Barnes Properties, LLC	2,197,453	6	0.80%	-		-
Forest Knoll Apartments	1,918,634	7	0.70%	-		-
CPI Apartments Fund 18 LLC	1,868,932	8	0.68%	-		-
Erie Investments NO.15 LLC	1,830,100	9	0.66%	-		-
Khailany Asad	1,780,650	10	0.65%	1,654,558	10	0.55%
Visteon Corporation	-		-	29,465,905	1	9.83%
Forest Health Services, LLC	-		-	3,528,081	4	1.18%
DTE- Mich Con	-		-	3,119,500	5	1.04%
Barnes Robert C & Sharon L	-		-	2,984,188	6	1.00%
Aces Held, LLC	-		-	2,545,633	7	0.85%
Chatham Capital Corporation	-		-	2,218,200	8	0.74%
Riverrain Apartments	-		-	2,033,420	9	0.68%
	<u>\$27,721,225</u>		<u>10.06%</u>	<u>\$56,168,292</u>		<u>18.99%</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
2015	\$ 7,951,839	\$ 7,463,299	93.9%	\$ 426,318	\$ 7,889,617	99.2%
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%

(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

	2006	2007	2008	2009
Governmental activities				
General obligation bonds	\$ 29,525,000	\$ 28,660,000	\$ 27,750,000	\$ 26,800,000
Revenue bonds	38,003,306	36,945,000	35,797,596	34,776,554
Installment obligations	3,688,747	3,546,808	3,399,933	3,247,854
Amounts available in debt service funds	<u>(1,952,024)</u>	<u>(1,756,508)</u>	<u>(1,655,707)</u>	<u>(1,773,204)</u>
Total outstanding debt	<u>\$ 69,265,029</u>	<u>\$ 67,395,300</u>	<u>\$ 65,291,822</u>	<u>\$ 63,051,204</u>
Total taxable value	\$ 359,195,156	\$ 396,065,501	\$ 413,729,543	\$ 402,643,702
Ratio of total debt to taxable value	19.28%	17.02%	15.78%	15.66%
Total population	21,767	21,827	20,849	20,437
Total debt per capita	\$ 3,182	\$ 3,088	\$ 3,132	\$ 3,085
% of personal income	8.23%	7.74%	7.66%	7.54%
Personal income	\$ 841,991	\$ 870,723	\$ 852,828	\$ 835,975

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

2010	2011	2012	2013	2014	2015
\$ 25,805,000	\$ 24,560,000	\$ 23,080,000	\$ 21,640,000	\$ 19,925,000	\$ 18,125,000
33,277,955	31,616,984	29,921,984	29,389,535	28,612,720	26,963,383
3,090,350	3,090,350	3,090,350	3,090,350	3,090,350	3,224,136
<u>(1,787,942)</u>	<u>(1,766,812)</u>	<u>(1,744,330)</u>	<u>(1,788,071)</u>	<u>(156,184)</u>	<u>(150,642)</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>	<u>\$ 48,161,877</u>
\$ 370,475,911	\$ 329,993,209	\$ 309,194,034	\$ 290,729,097	\$ 289,614,595	\$ 292,133,419
16.30%	17.42%	17.58%	18.00%	17.77%	16.49%
19,201	19,435	19,375	19,621	20,142	20,081
\$ 3,145	\$ 2,959	\$ 2,811	\$ 2,667	\$ 2,487	\$ 2,398
7.69%	7.69%	7.43%	6.53%	5.92%	5.46%
\$ 785,417	\$ 735,790	\$ 733,518	\$ 800,948	\$ 870,175	\$ 882,098

**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
2015	\$ 18,125,000	\$ -	\$ 18,125,000	6.20%	\$ 903
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
2004	28,118,324	2,203,846	25,914,478	7.66%	1,179

Source: City of Ypsilanti Finance Department

**Computation of Net Direct and Overlapping Debt**

June 30, 2015

	Gross Amount Outstanding	Self-Supporting or Paid by Benefited Government	Net Amount Outstanding
<b>Direct debt</b>			
General obligation bonds	\$ 18,125,000	\$ -	\$ 18,125,000
General obligation bonds - DDA	615,000	615,000	-
Revenue bonds - YCUA (2)	26,963,383	26,963,383	-
Revenue bonds - Depot Town DDA	6,793	6,793	-
Installment obligations	3,224,136	-	3,224,136
<b>Total direct debt</b>	<b>\$ 48,934,312</b>	<b>\$ 27,585,176</b>	<b>21,349,136</b>
	Net Debt Outstanding	Percentage Applicable to City of Ypsilanti	Share Applicable to City of Ypsilanti
<b>Overlapping debt</b>			
Ypsilanti School District	\$ 70,702,227	36.78%	\$ 26,004,279
Washtenaw County	33,202,608	2.02%	670,693
Washtenaw Community College	13,580,000	2.06%	279,748
Ypsilanti District Library	4,735,000	17.35%	821,523
<b>Total overlapping debt</b>	<b>122,219,835</b>		<b>27,776,243</b>
<b>Total direct and overlapping debt</b>			<b>\$ 49,125,379</b>

(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 2015	
Assessed value (state equalized value)	<u>\$ 311,592,468</u>
Debt limit (10% of assessed value)	<u>\$ 31,159,247</u>
Net debt subject to limitation:	
General obligation bonds	18,125,000
Less unspent bond proceeds in 2013 revenue refunding bonds fund	(177,422)
Less amounts available for repayment of general obligation bonds	<u>(150,642)</u>
	<u>17,796,936</u>
Legal debt margin	<u>\$ 13,362,311</u>

	Debt Limit	Net Debt Applicable to Limit	Legal Debt Margin	Ratio
2015	\$ 31,159,247	\$ 17,796,936	\$ 13,362,311	57.12%
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%

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
2014	\$ 35,000,803	\$ 27,676,654	\$ 7,324,149	\$ 5,544,573	132.1%
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%

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
2015	20,081	\$ 882,098	\$ 43,927	4,361	6.6%
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%

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://quickfacts.census.gov/qfd/states/26/2689140.html>
- (2) Estimate from U.S. Department of Commerce, Bureau of Economic Analysis. (2013/14 data is not available, so used year 2013 data for washtenaw county). (Total personal income=population \* per capita  
<http://www.bea.gov/iTable/iTable.cfm?reqid=70&step=1&isuri=1&acrdn=5#reqid=70&step=27&isuri=1&7022=20&7023=7&7024=non-industry&7025=5&7026=11460&7001=720&7028=->
- (3) Data from Ypsilanti Community Schools Administration Office
- (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	2015			2005		
	Employees	Rank	% of Workforce	Employees	Rank	% of Workforce
Eastern Michigan University	1,731	1	15.74%	2,114	2	16.91%
Washtenaw County	1,332	2	12.11%	1,300	3	10.40%
Ypsilanti Public Schools	540	3	4.91%	700	4	5.60%
Villa at Parkridge (Bortz Health Care)	151	4	1.37%	140	7	1.12%
Forest Health Services	126	5	1.15%	375	5	3.00%
Marsh Plating & Finishing Services	102	6	0.93%	87	9	0.70%
City of Ypsilanti	90	7	0.82%	129	8	1.03%
Gene Butman Ford	80	8	0.73%	60	11	0.48%
Walgreens	50	9	0.45%	20	13	0.16%
Fischer Honda	25	10	0.23%	80	10	0.64%
Ford Motor Company	-		-	2,273	1	18.18%
Exemplar Manufacturing	-		-	147	6	1.18%
	<u>4,227</u>		<u>38.43%</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  
<http://www.annarborusa.org/site-selectors/top-employers>

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**Employees by Department**  
Last Ten Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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)	2.50	2.00	2.10	1.85	1.85	1.85	1.85	1.85	2.60	2.60
Human Resources (226)	2.00	1.80	1.90	1.55	1.55	1.55	1.55	1.55	1.30	1.30
Ordinance Enforcement (341)	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50	1.70	1.70
Building Inspection (371)	5.00	5.00	5.00	5.25	3.75	3.58	3.35	3.25	2.20	2.20
Planning & Development (801)	4.50	3.50	3.40	1.65	1.65	1.65	2.38	2.38	2.13	2.13
Recreation (707)	-	-	-	-	-	-	-	-	-	-
	15.00	13.30	13.40	11.30	9.30	9.13	9.63	9.53	9.93	9.93
<b>Citizen services</b>										
Voters Registration, school and county election (191)	1.00	1.00	-	-	-	-	-	-	-	-
City Clerk (215)	2.00	2.00	2.00	2.00	2.00	2.00	1.95	1.95	1.95	1.95
City Treasurer (253)	2.00	1.80	1.50	1.50	1.50	1.34	1.34	1.34	1.34	1.68
	5.00	4.80	3.50	3.50	3.50	3.34	3.29	3.29	3.29	3.63
<b>Administrative Hearing Bureau</b>	-	-	-	-	-	-	0.10	0.10	0.15	0.15
<b>Fire services</b>										
Administration (337)	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Suppression (339)	21.00	21.00	23.00	21.00	21.00	19.00	18.50	16.00	16.00	16.00
	23.00	23.00	25.00	22.00	22.00	20.00	19.50	17.00	17.00	17.00
<b>Fiscal services</b>										
Finance - Accounting (201)	3.00	2.70	3.20	3.20	3.20	3.03	3.03	3.03	3.03	3.03
Finance - Assessor (209)	2.00	2.00	1.00	1.00	1.00	1.00	0.93	0.33	0.33	0.33
	5.00	4.70	4.20	4.20	4.20	4.03	3.96	3.36	3.36	3.36
<b>Police services</b>										
Administration (305)	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Field Services (307)	42.00	40.00	41.00	37.00	38.40	28.00	28.00	24.00	28.26	29.26
COPS Grant	-	-	-	-	-	3.00	3.00	2.00	2.00	2.00
Parking Enforcement (311)	6.00	6.00	4.00	2.00	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	-	-	-	-
	53.00	51.00	49.00	43.00	44.40	37.00	36.00	31.00	35.26	36.26
<b>Public services</b>										
Parks, streets, building, parking lots, and garbage collection	23.00	22.00	21.75	19.00	17.00	17.00	17.00	17.00	17.00	16.00
Administration (441)	3.75	3.75	4.00	3.75	3.75	3.88	3.88	3.81	3.88	3.88
	26.75	25.75	25.75	22.75	20.75	20.88	20.88	20.81	20.88	19.88
<b>Total full-time employees</b>	127.75	122.55	120.85	106.75	104.15	94.38	93.36	85.09	89.87	90.21
<b>Total council and full-time employees</b>	134.75	129.55	127.85	113.75	111.15	101.38	100.36	92.09	96.87	97.21

Source: City of Ypsilanti Finance Department

# CITY OF YPSILANTI, MICHIGAN

## Operating Indicators by Function/Program Last Ten Years

Function/Program	2006	2007	2008	2009
<b>Public Safety</b>				
Police services				
Number of uniform crime reportin	4,171	4,524	3,087	3,349
Number of traffic violations	3,275	3,269	3,538	7,502
Number of arrests	1,479	1,818	1,484	2,015
Number of parking violations	14,851	11,369	6,818	9,654
Fire services				
Number of calls answered	478	511	402	553
Number of inspections conducted	785	980	996	1,396
<b>Public Services</b>				
Miles of local streets maintained	20.56	21.22	21.22	21.22
Miles of major streets maintained	33.18	32.52	32.52	32.44
<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

2010	2011	2012	2013	2014	2015
3,295	1,936	2,983	2,913	3,179	2,301
8,458	3,253	3,609	3,024	3,528	1,779
1,864	1,738	1,715	1,698	1,939	712
9,611	9,880	10,593	9,223	2,975	6,382
566	564	600	639	690	545
1,464	1,588	400	384	264	325
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	58.66	58.66	58.66	53.74
663	663	663	663	663	663

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

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<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	12	12	10	10	10	10	9	9	9	9
Unmarked police vehicles	7	7	7	6	6	7	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	1
<b>Fire Services</b>										
Emergency services building	1	1	1	1	1	1	1	1	1	1
Vehicle units:										
Pumper truck	2	2	2	2	2	2	2	2	2	2
Pumper ladder truck	1	1	1	1	1	1	1	1	1	1
Rescue truck	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	-	-	-	-	-	-	-	-
Pickup truck	1	1	1	1	1	1	2	2	2	2
Utility van	1	1	1	1	1	1	-	-	-	-
<b>Administrative Services</b>										
Crown Victoria - CH	2	2	2	1	1	1	1	1	-	-
Impala	-	-	-	-	-	1	1	1	1	1
Taurus - CM	-	-	-	1	1	1	1	1	1	1
Building enforcement vehicles	4	4	4	2	2	3	3	3	3	3
<b>Public Services</b>										
Passenger										
Crown Victoria	2	2	2	3	4	3	2	2	1	-
Escape	-	-	-	-	-	1	1	1	1	1
Van	2	2	2	1	1	1	-	-	-	-
Van with Aerial Lift	-	-	-	1	1	1	1	1	-	-
Trucks:										
Pick-up	9	9	9	8	9	8	7	7	5	4
with Aerial Lift	-	-	-	3	3	3	1	1	2	1
Dump	9	9	9	9	9	10	11	11	9	7
with Grapple	-	-	-	1	1	1	1	1	1	1
Stake	7	7	7	6	6	6	6	6	3	3
with Aerial Lift	2	2	2	-	-	-	1	1	1	1
Recycle Truck	1	1	1	1	1	1	-	-	-	-
Packer Truck	3	3	3	4	4	4	4	4	3	3
Brush Chipper	2	2	2	3	3	1	1	1	1	1

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

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Tractors:</b>										
with Front Loader	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	-	-
with Drawn Rake	1	1	1	1	1	1	1	1	-	-
with Salt Spreader & Snow Plow	-	-	-	1	1	1	1	1	1	1
Garden	9	9	9	9	9	9	7	7	6	3
Wide Area Mower	-	-	-	1	1	1	1	1	1	1
Loader with Bucket	2	2	2	3	3	3	3	3	2	2
Rear Loader	-	-	-	-	-	1	1	1	1	1
<b>Equipment:</b>										
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	2
Snow Blower	4	4	4	4	4	4	4	4	3	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	-	-	-	-	-
Trailer	3	3	3	4	4	4	4	4	4	4
Sign Driver	-	-	-	-	-	1	1	1	1	1
Auger	2	2	2	2	2	2	2	2	2	2
Street Sweeper	2	2	2	2	2	2	3	3	2	2
Compactor	1	1	1	1	1	1	1	1	1	1
Cement Mixer	2	2	2	2	2	1	1	1	1	1
Bituminous	1	1	1	1	1	1	1	1	1	1
Hyd. Sewer Cleaner	2	2	2	2	2	1	1	1	1	1
Compressor	1	1	1	1	1	-	-	-	2	2
Concrete Pavement Saw	2	2	2	2	2	2	2	2	2	2
Parking Lot Plow	-	-	-	-	-	-	-	-	2	2
Rear Plow	1	1	1	1	1	1	1	1	1	1
Dual Line Stripper	1	1	1	1	1	1	1	1	1	1
Leaf Blower	3	3	3	3	3	3	3	3	3	3
Weed Eater	9	9	9	9	9	11	11	11	11	11
Weed Eater (brush cutter)	-	-	-	-	-	-	1	1	1	1
Rotary Lawn Mower	1	1	1	2	2	2	2	2	1	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	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	12	12	12	12	12
Power Pruner	3	3	3	4	4	3	3	3	3	3
Stump Cutter	1	1	1	1	1	-	-	-	-	-
Chipper Box	1	1	1	1	1	1	1	1	-	-
Fork Lift	1	1	1	1	1	1	1	1	1	1
Roller	1	1	1	1	1	1	1	1	1	-
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	-
Sandblaster	-	-	-	-	1	1	1	1	1	1
Weed Eater/Hedge Trimmer	-	-	-	-	-	-	1	1	1	1
Edger/Trimmer/Weed Eater	-	-	-	-	-	-	-	-	1	1

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

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Parks &amp; Recreation</b>										
<b>Parks:</b>										
Active	8	8	8	8	8	8	8	8	8	8
Inactive	2	2	2	1	1	1	1	1	1	1
Tot Lots	2	2	2	3	3	3	3	3	3	3
<b>Park acreage:</b>										
Active parks	81	81	81	81	81	81	81	81	81	81
Inactive	4	4	4	2	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
<b>Buildings:</b>										
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	-	-
Pavilions	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	-	-	1	1	1	1	1
<b>Park and Play Area Acreage</b>										
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	-	-	-	-	-	-	-
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
<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	-	-	-	-
Frog Island Park	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	2	2	2	2	2	2
Peninsular Park	1	1	1	1	1	1	1	1	1	1

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

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<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	-	-	-	-
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	8/01/14 - 8/01/15	\$ 252,096	Covers general liability, police professional liability and public officials errors & omissions. Limit of liability \$2,000,000.
Michigan Municipal League Liability and Property Pool	8/01/14 - 8/01/15	45,115	Covers equipment and automobiles.
Michigan Municipal League Liability and Property Pool	8/01/14 - 8/01/15	21,731	Covers buildings and attached property.
Meadowbrook Insurance Group	8/30/14 - 8/30/15	2,990	Covers commercial storage tank
Blue Cross - Blue Shield, Assurant, EHIM, Fort Dearborn, MECA, UNUM	7/01/14 - 6/30/15	2,248,459	Employee and retiree benefits: health, dental, prescription, life, vision and long-term disability.
Comp One Administrator and Accident Fund	7/01/14 - 6/30/15	158,208	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

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