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Comprehensive Annual Financial Report Year Ended June 30, 2019

City of Ypsilanti, Michigan

www.cityofypsilanti.com

Comprehensive Annual Financial Report

For the Year Ended June 30, 2019

Prepared by:

Rheagan Basabica, Director of Fiscal Services

City of Ypsilanti, Michigan
 Comprehensive Annual Financial Report
 For the Year Ended June 30, 2019

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INTRODUCTORY SECTION



CITY OF
YPSILANTI

Home of Eastern Michigan University

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City of Ypsilanti

Office of the City Manager

December 20, 2019

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 (the City) for the fiscal year ending June 30, 2019. 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, other City departments and Clark Schaefer Hackett & Co.

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.

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:

- Michigan Economic Development Corporation (MEDC) Façade Rehabilitation Initiative
- Washtenaw County Community Development Block Grant (CDBG) - Playground
- Washtenaw County Parks and Recreation Grant
- Connecting Communities Grant
- Transportation Alternative Program (TAP) Grant
- Southeast Michigan Council of Governments (SEMCOG) Infrastructure Asset Management Grant

Rehmann LLC, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City's financial statements for the year ended June 30, 2019. 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, 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 19,435. The City is bounded to the north by the Charter Township of Superior and on the west, south and east by the Charter Township of Ypsilanti.

The City is a stable community with many assets – quality residential neighborhoods, good schools, beautiful view of the Huron River, historic downtown and residential neighborhoods, and convenient access to I-94 and Detroit Metropolitan Airport. Annual events and festivals and the presence of Eastern Michigan University, all contribute to the City'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 City 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 Senior Center, Rutherford Community Pool, Ypsilanti Historic Freighthouse 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.

Ypsilanti's cultural offerings are rich and varied. A wide variety of museums, galleries, arts events, and musical attractions grace the city. Offerings include the expected, such as two-dimensional paintings and drawings often exhibited at the Riverside Arts Gallery and 22 North, the unexpected, in the avant-garde puppetry of the Dreamland Theater, and to the personal, in the many prestigious tattoo shops. Events range from the regional, such as the Color Run, ElvisFest, and the Michigan Brewers Guild Summer Festival, to the local, including First Fridays, Ypsiglow, DIYpsi, MittenFest, Festival of the HoneyBee, PRIDEfest and the Ypsilanti Heritage Festival.

Local Economy

Local unemployment is around 4.4%, which is above the 4.3% state average and the 3.7% national average. 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. The City has earned and maintained its Redevelopment Ready Community status that creates technical funding opportunities, promotion of City priority redevelopment sites, and promotion to developers of clear and transparent development processes.

The City has a population of 20,995 as of July 1, 2018 an increase from the 2010 US Census of 19,432. The City's state equalized value is now at 98% of the 2010 Assessed Value of \$411 million. The City's total taxable value for tax year 2018 is approximately \$317 million, an increase of about \$12 million, or roughly 3.7% of the prior year.

The City has five tax increment finance districts. All four districts were impacted by the decline in taxable property value over the past ten years. Four out of five districts increased taxable value and capture in the last year.

The City opened 10 new businesses in 2019: three restaurants; two retail; two office; one entertainment; one medical; and one pest control. Through efforts of the YDDA, the City hosted its first ever movie night in Frog Island ark bringing over 100 people to the downtown area.

The City remains in good financial condition, as is demonstrated by the financial statements and schedules included in this report. With strategic planning focused on business development, redevelopment of existing properties and public safety we look forward to an increase in our financial growth.

Long-term Financial Planning

The City Council and City Manager believe long-term financial planning is essential to ensuring sustainability for our community. With the support of our residents, the City was able to pass a millage which will pay for the Water Street debt. This will help the City in alleviating the burden of paying this debt and be able to allocate funds to other important programs of the City. The Water Street bond debt will mature in fiscal year 2031. The City Manager and staff have begun to identify ways to increase revenue and implement strategies for sidewalk replacement, equipment replacement, the redevelopment of the Parks and Recreation Department, institution of programs to leverage city assets, and increase the number of businesses.

Personnel costs comprise a significant portion of General Fund expenditures, including pension and other postemployment benefits (OPEBs), and contribute substantially to the City's challenging financial condition. Recently, the City elected the Opt-Out provision for health care and switched health insurance brokers, allowing the city greater flexibility in spending, allowing employees more options, and providing greater financial control in the insurance program's annual cost to the City. The collective bargaining agreements for all four of the City's unions have been renewed and will be effective until June 30, 2022 and the City has settled three of the contracts with significant changes in health care programs and wage structures to return compensation packages to fair but financially sustainable levels. The City is facing mounting pension and OPEB costs. While the Municipal Employees' Retirement System of Michigan (MERS) general employee pension system is stable at 121%, the Act 345 Fire and Police Pension system is only 51% funded. In 2019, the City's required contribution to the Fire and Police Pension Plan by approximately \$500,000, mainly due to a change of amortization from 27 to 20 years to fund the system quicker. The City is working to restructure retirement benefits while maintaining core municipal services for the community at sustainable levels.

The Michigan municipal finance system is broken and creates significant financial challenges for the City, as well as for most municipalities in the state. The Headlee Amendment to the Michigan Constitution requires periodic rollbacks to the City's maximum allowable millage rates. "Proposal A" caps growth in property taxable value at 5% or the rate of inflation, whichever is less, regardless of the growth in state equalized value. The City has realized a combined loss of almost \$12 million in state shared revenue over the past 15 years due to reductions in statutory revenue sharing payments to municipal governments. At the same time, the State has phased out personal property taxes and Act 51 transportation funding for street maintenance and improvements has remained relatively flat for many years and is woefully inadequate to cover the City's street infrastructure needs. The City will continue to lobby State legislators to fix these inequities.

Under Michigan Public Act 289 of 1977 for fire service cost reimbursement to municipalities with tax-exempt State facilities, the city finally received \$865,514 in fire protection grant funds and will continue to pursue continuation of the full payment.

Major Initiatives for the Year

Community Redevelopment. The City has seen many buildings that long stood vacant redeveloped in the past year seeing a large amount of investment specifically in the YDDA District. The Thompson Block will be finished in early 2020 after 30 years of no investment and \$11 million of investment in the last 3 years. In addition to this major project the City saw the Smith Furniture Building redeveloped and the properties at 100 and 101 W Michigan as well as 209 Pearl are seeing over \$2 million in investment thanks in part to the Michigan Economic Development Corporation Façade Reinvestment Initiative Grant to the YDDA for \$300,000. The City has seen massive investment in the past few years. Many buildings that sat vacant for decades have recently been restored and activated, or are in the process of being reactivated. The YDDA and City have supported many of the projects to reactivate office space, restaurants and retail spaces. The City's longstanding problem spaces are becoming fewer and fewer.

In 2019, the City implemented a business inspection ordinance allowing the city to inspect businesses under the Property Maintenance Code. This is helping the City achieve its goal of ensuring that all businesses are registered and that buildings are being maintained in order to decrease the number of vacant and dangerous buildings in the city.

Youth Grant. The City supports the youth and has provided a grant to non-profits that provide services and support for the youth in the City.

Major Initiatives in the Future

Intergovernmental Collaboration for Municipal Services. The City, Ypsilanti Township, and Superior Township signed an automatic aid agreement for all structure fire calls in order to line up enough personnel to perform immediate interior fire attacks. Also, the City, Ypsilanti Township, Superior Township, Pittsfield Township and City of Ann Arbor are part of the "Box Alarm" that is comparable to a second and third alarm. All Washtenaw County fire departments have signed a mutual aid agreement to support each other at no cost, and this initiative will be continued.

Specialty teams, such as hazardous materials, technical rescue and swift water rescue, are all Washtenaw County teams. It would be impossible to finance these activities on our own. A large part of our training fund comes from the State (fireworks fund). Lastly, the Washtenaw County fire departments obtained over \$3 million of equipment grants over the past three years. Ypsilanti prides itself on trained staff. This initiative enables proper training to occur and is a focus of continued professional development.

The Ypsilanti Police Department has signed a mutual aid agreement with Washtenaw County, for dispatch services to defray costs of equipment and personnel. Participation in the Eastern Washtenaw Safety Alliance, Michigan State Police Forensic Sciences and Washtenaw County Criminal Justice Association remains a high priority to foster consistent countywide policy development and implementation in public safety.

Amtrak Rail Platform. 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. As part of this effort, the City is seeking a Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant to construct a new platform to re-establish an Amtrak scheduled stop on the Wolverine Line along the live track in Depot Town. The total cost is \$4,600,000. The grant was applied for in October 2019.

Recycling Drop-Off Center. In November 2019, the City demolished the existing recycling center in Frog Island Park. In conjunction with the removal of the recycling center, the City partnered with Recycle Ann Arbor to allow for residents to get a recycling card to use their drop-off site in Ann Arbor, free of charge. The City sponsored a local drop-off recycling event in October 2019 during Farmer's Market to allow residents to drop-off glass and styrofoam.

Peninsular Dam Removal. In 2019 City Council approved removal of the Peninsular Park dam. The City has partnered with the Huron Watershed to explore grant options. The City has been accepted to submit a grant proposal to the Michigan Natural Resources Department Fisheries Habitat Grant Program to cover a substantial portion of the dam removal and property restoration needed in the removal of the dam. The grant application was submitted in August, 2019.

Rutherford Pool Bathhouse Renovation. The Friends of the Rutherford Pool submitted a grant application to the State to complete \$600,000 in improvements to the Rutherford Pool bathhouse. The grant was awarded and the project will be completed by the opening of the pool in 2020.

Park Improvements. Staff, the Parks and Recreation Commission and City Council have worked to spend \$250,000 in the past 24 months to improve the city parks. Improvements have included new woodchips and gravel, trash cans, picnic tables, signage, removal of hazards and repair and replacement of playground equipment. The Department of Public Services, Community Development and Planning departments facilitated the completion of the Liz Dahl MacGregor Playground in Riverside Park to allow children of all abilities to play on a city playground.

DDA Districts Police Patrol Services. In January 2019, the City restored 40 hours of police patrol services weekly to the YDDA districts to comply with the intergovernmental services contract between the two entities.

Master Plan and Sustainability Plan Update. Staff and consultants from Beckett and Raeder have been working with the Planning Commission and Sustainability Commission to update/create a master plan. Multiple community meetings were held and the final product is being presented to the commissions in fiscal 2020.

Capital Improvement Planning. The City Council approved a 6-year capital improvements plan (CIP) for 2019/20. Staff will begin earlier to create a more comprehensive CIP to help the City forecast its larger projects in the future.

Parking. The City Council adopted the Central Business District Parking Study and Strategy in April 2019. The overarching goal of the parking strategy is to balance the vehicle standing, parking, and storage needs of residents, visitors, businesses, customers/clients, and employees; accessibility needs of all; equity and sustainability; and maintenance and budget. Key areas are to ensure that parking areas are clean, safe, and accessible; facilities are provided for freight/trucks/buses, passenger vehicles, bikes, and pedestrians; and the parking system should be able to sustain itself overall. The adopted policy will address and resolve the condition of parking lots, metering, restrictions, and signage; provide additional handicap-placarded spaces and accessible spaces; and improve sidewalk accessibility challenges.

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 Clark Schaefer Hackett & Co. I wish to express my appreciation and acknowledge those who assisted and contributed to the preparation of this report: Rheagan Basabica, and the staff from the Fiscal Services Department, and Joe Meyers, Bonnie Wessler, and Christopher Jacobs from the Community and Economic Development 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, Rheagan Basabica and I are available to respond.

Respectfully submitted,

{signature omitted for security}
Frances McMullan,
City Manager



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Ypsilanti
Michigan**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

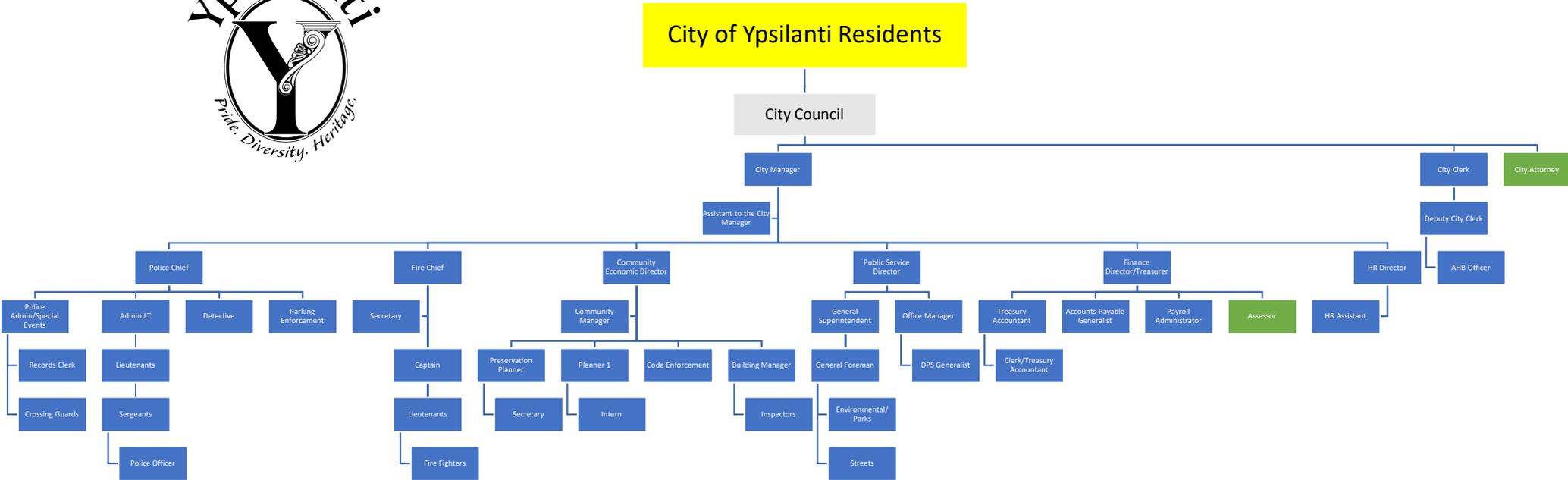
June 30, 2018

Christopher P. Morrill

Executive Director/CEO



City of Ypsilanti Organizational Chart



CITY OF YPSILANTI, MICHIGAN

ELECTED OFFICIALS

CITY COUNCIL

Beth Bashert

Mayor

Lois Richardson

Mayor Pro-Tem

Council Members

Nicole Brown

Anthony Morgan

Peter Murdock

Jennifer Symmans

Steven Wilcoxon

Administration-Appointed Officials and Senior Management

Frances McMullan

City Manager

Andrew Hellenga

City Clerk

Tony DeGiusti

Police Chief

Rheagan Basabica

Director of Finance/Treasurer

Ken Hobbs

Fire Chief

Bradford Holman

Director of Public Services

Joe Meyers

Director of Economic Development

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FINANCIAL SECTION



CITY OF
YPSILANTI

Home of Eastern Michigan University

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INDEPENDENT AUDITORS' REPORT

December 20, 2019

Honorable Mayor and City Commission
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, 2019, 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.

Independent Auditors' 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. 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 auditors' 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 previously 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and each major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules for the pension and other postemployment benefit plans, 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 combining and individual fund financial statements and schedules and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules 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 fund financial statements and schedules 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.

Rehmann Lohman LLC

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CITY OF YPSILANTI, MICHIGAN
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

The management of the City of Ypsilanti, Michigan (the City) presents 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, 2019. 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

Major financial highlights for fiscal year 2019 are listed below:

- The liabilities and deferred inflows of resources of the City exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$12,327,759 (net position). Of this amount, a negative \$38,059,316 in unrestricted net position was reported for the governmental activities, primarily due to recognition of net pension and other postemployment benefit (OPEB) liabilities of \$43,267,573.
- The City's total net position decreased by \$2,284,617.
- The City's total revenues were \$20,119,753, a decrease from the prior fiscal year of \$338,127, or 2%, while total expenses were \$22,404,370, an increase of \$1,626,578, or 8%.
- The City's general fund, the primary operating fund, increased by \$851,392. The City's unassigned fund balance of the general fund totaled \$3,370,652 at the end of the fiscal year, or 26% of general fund expenditures.
- The City's long-term bonds decreased by \$3,425,000, with \$27,246,984 outstanding as of the end of the fiscal 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 comprise 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 private sector business.

CITY OF YPSILANTI, MICHIGAN
Management's Discussion and Analysis (unaudited)
Fiscal Year Ended June 30, 2019

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between these reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position 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., uncollected taxes and 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*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, refuse collection, highways, streets, and bridges, culture and recreation, community development and public transportation. The City does not have business-type activities.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also legally separate component units: Downtown Development Authority, Depot Town Downtown Development Authority and Economic Development Corporation, 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.

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 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*.

CITY OF YPSILANTI, MICHIGAN
Management's Discussion and Analysis (unaudited)
Fiscal Year Ended June 30, 2019

The City maintains 23 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, major streets, capital improvement reserve and 2013 revenue refunding bonds funds, all four of which are considered to be major funds. Data from the other 19 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 this budget.

Proprietary Funds are also maintained by the City. The City has one type of proprietary fund. *Internal service funds* are an accounting device normally 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 and retiree health 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.

Fiduciary Funds are used to account for resources held for the benefit of parties outside the City. 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 City's only fiduciary funds are a pension trust fund, that accounts for the Police and Fire Employees' Retirement System, and agency funds, that are custodial in nature.

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.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's pension benefits to its police and fire employees, pension benefits to employees participating in the MERS plan, and other postemployment benefits.

The combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds and fiduciary funds are presented immediately following the required supplementary information.

CITY OF YPSILANTI, MICHIGAN
Management's Discussion and Analysis (unaudited)
Fiscal Year Ended June 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position at Fiscal Year-End

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, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$12,327,759 at the close of the most recent fiscal year.

Table 1
Net Position

	Governmental Activities	
	2019	2018
<i>Assets</i>		
Current and other assets	\$ 37,473,411	\$ 38,012,531
Net pension asset	3,087,128	5,023,970
Capital assets	15,879,066	17,676,064
<i>Total assets</i>	<u>56,439,605</u>	<u>60,712,565</u>
<i>Deferred Outflows of Resources</i>	<u>6,340,541</u>	<u>4,483,407</u>
<i>Liabilities</i>		
Long-term liabilities:		
Net pension liability	24,718,354	20,459,758
Net OPEB liability	18,552,325	17,936,002
Other long-term amounts	29,411,340	33,156,076
Other liabilities	1,330,538	1,436,733
<i>Total liabilities</i>	<u>74,012,557</u>	<u>72,988,569</u>
<i>Deferred Inflows of Resources</i>	<u>1,095,348</u>	<u>2,250,545</u>
<i>Net Position</i>		
Net investment in capital assets	15,491,863	16,446,266
Restricted	10,239,694	3,483,349
Unrestricted (deficit)	(38,059,316)	(29,972,757)
<i>Total net position (deficit)</i>	<u>\$ (12,327,759)</u>	<u>\$ (10,043,142)</u>

CITY OF YPSILANTI, MICHIGAN
Management's Discussion and Analysis (unaudited)
Fiscal Year Ended June 30, 2019

A significant portion of the City's net position (\$15,491,863) reflects its investment in capital assets (i.e., land, infrastructure, buildings and improvements, vehicles and equipment and construction in progress), 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 capital assets is reported net of related debt, it should be noted that the resources needed to pay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (\$10,239,694) represents resources that are subject to external restrictions on how they may be used. The external restriction will not affect the availability of resources for future use. Primarily as a result of recognizing net pension and OPEB liabilities under GASB Statement Nos. 68 and 75, the City's unrestricted net position ended the fiscal year with a deficit balance of \$38,059,316.

The City ended the fiscal year with \$56,439,605 in total assets, a decrease of \$4,272,960 from the prior fiscal year. A significant source for the decrease is attributable to capital assets, as the City's depreciation expense in the current fiscal year exceeded capital asset additions. Additionally, there was a decrease in the MERS' net pension asset, due to lower than projected investment earnings. This also resulted in the increase in pension deferred outflows of resources.

The City ended the fiscal year with \$74,012,557 in total liabilities, an increase of \$1,023,988. Other long-term liabilities decreased by \$3,744,736 due to the City meeting its required debt service obligations on its outstanding bonds. The decrease was more than offset by increases in the net pension and OPEB liabilities. The net pension liability increase is attributable to a change in assumptions, which included a reduction in the assumed investment rate and wage inflation rate.

CITY OF YPSILANTI, MICHIGAN
Management's Discussion and Analysis (unaudited)
Fiscal Year Ended June 30, 2019

Change in Net Position during Fiscal Year 2019

The following table presents a condensed summary of the City's activities during fiscal years 2019 and 2018 and the resulting change in net position:

Table 2
Changes in Net Position

	Governmental Activities	
	2019	2018
<i>Revenues</i>		
Program revenues:		
Charges for services	\$ 2,713,669	\$ 2,916,478
Operating grants and contributions	2,986,676	3,596,920
Capital grants and contributions	196,966	628,205
<i>Total program revenues</i>	<u>5,897,311</u>	<u>7,141,603</u>
General revenues:		
Property and other taxes	11,018,343	10,345,083
Grants and entitlements not restricted to specific programs	2,693,174	2,755,507
Investment earnings	337,327	169,432
Other	173,598	46,255
<i>Total general revenues</i>	<u>14,222,442</u>	<u>13,316,277</u>
<i>Total revenues</i>	<u>20,119,753</u>	<u>20,457,880</u>
<i>Expenses</i>		
General government	4,177,241	3,556,035
Public safety	11,316,595	9,749,189
Public works	735,989	678,231
Refuse collections	960,542	939,629
Highways, streets and bridges	3,091,800	3,598,015
Culture and recreation	529,135	517,317
Community development	453,202	624,746
Public transportation	289,809	283,372
Interest and fiscal charges	850,057	831,258
<i>Total expenses</i>	<u>22,404,370</u>	<u>20,777,792</u>
<i>Change in net position</i>	(2,284,617)	(319,912)
<i>Net position (deficit), beginning of year</i>	(10,043,142)	(9,723,230)
<i>Net position (deficit), end of year</i>	<u>\$ (12,327,759)</u>	<u>\$ (10,043,142)</u>

CITY OF YPSILANTI, MICHIGAN
Management's Discussion and Analysis (unaudited)
Fiscal Year Ended June 30, 2019

As mentioned earlier, the City's net position experienced a decrease of \$2,284,617 during the fiscal year, which is a larger decrease from the one experienced in the prior fiscal year of \$319,912. Total revenue decreased by \$338,127, while total expenses increased by \$1,626,578. The decrease in operating grants and contributions was due to a decrease in cash deposits from YCUA. The decrease in capital grants and contributions was due to the City's administration of FEMA assistance in fiscal year 2018, much of which was passed through to other local governments. The decreases in revenue was partially offset by increases in tax revenue. During fiscal year 2019, the City experienced an increase in tax rates and assessed taxable values, in addition to new tax millage passed by the City to pay for Water Street general obligation bonds.

The primary reason for the increase in total expenses is due to increases in pension expenses in both pension plans, especially in general government and public safety expenses. The increase was partially offset by a decrease in highways, streets and bridges expenses due to lower depreciation expense with assets being fully depreciated.

FINANCIAL ANALYSIS OF THE CITY'S INDIVIDUAL FUNDS

Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The City's governmental funds reported a combined fund balance of \$15,740,648, which is \$2,469,597 above last year's total of \$13,271,051. The schedule below indicates the fund balances and total change in fund balances as of June 30, 2019 and 2018 for each individual major fund and nonmajor governmental funds in total.

	<u>Fund Balance</u> <u>June 30, 2019</u>	<u>Fund Balance</u> <u>June 30, 2018</u>	<u>Change in</u> <u>Fund Balance</u>	<u>Percent</u> <u>Change</u>
Major funds:				
General fund	\$ 7,358,960	\$ 6,507,568	\$ 851,392	13%
Major streets fund	2,689,857	1,665,582	1,024,275	61%
Capital improvement reserve fund	477,481	47,033	430,448	915%
2013 revenue refunding bonds fund	1,625,141	1,625,141	-	0%
Nonmajor governmental funds	<u>3,589,209</u>	<u>3,425,727</u>	<u>163,482</u>	<u>5%</u>
 Total	 <u>\$ 15,740,648</u>	 <u>\$ 13,271,051</u>	 <u>\$ 2,469,597</u>	 <u>19%</u>

General Fund

The general fund, the City's primary operating fund, ended the fiscal year with an unassigned fund balance of \$3,370,652, or 26% of general fund expenditures. Total fund balance increased \$851,392 during the fiscal year. This increase was higher than the prior fiscal year's increase of \$542,649. Reasons for the increase include an increase in tax revenue, due to a higher tax rate and increased assessed property values, and a decrease in transfers out. Fewer transfers were needed for the nonmajor 2016 refunding bonds debt service fund, as it began receiving new tax millage to pay for debt and requiring less funding from the general fund.

CITY OF YPSILANTI, MICHIGAN
Management's Discussion and Analysis (unaudited)
Fiscal Year Ended June 30, 2019

Major Streets Fund

The major streets special revenue fund had revenues of \$2,136,309 and expenditures of \$972,010 in fiscal year 2019. The fund experienced an increase in fund balance due to increased intergovernmental funding for a new road project funded with road county millage and receipt of State Stormwater, Asset Management, and Wastewater (SAW) funding for stormwater asset management planning.

Capital Improvement Reserve Fund

The capital improvement reserve capital projects fund had an ending fund balance of \$477,481, all of which was committed for capital equipment. The fund received transfers from other funds for City Council chamber upgrades, software upgrades, facility upgrade for the Department of Public Services and the Train Stop project.

2013 Revenue Refunding Bonds Fund

The 2013 revenue refunding bonds capital projects fund had an ending balance of \$1,625,141. Fiscal year 2019 activity consisted of debt service expenditures, funded by contributions from YCUA.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's budgetary information for the general fund and its major special revenue funds can be found within the basic financial statements.

The City's primary operating fund is the general fund. The original revenue budget was increased during the fiscal year by 4% due to conservative budgeting. Actual revenues were within 1% of the final revenue budget.

The original expenditure budget was increased during the fiscal year by 5% to account for actual spending patterns realized during the fiscal year. Actual expenditures came in \$761,458 under the final budget. This was attributable to lower than expected expenditures for areas such as, janitorial services with a new vendor, lower than usual litigation expenses and lower salary costs due to retirement.

CITY OF YPSILANTI, MICHIGAN
Management's Discussion and Analysis (unaudited)
Fiscal Year Ended June 30, 2019

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2019, the City had \$15,879,066 (net of accumulated depreciation) invested in land, buildings and improvements, vehicles and equipment, infrastructure and construction in progress. Capital assets decreased by \$1,796,998 due to depreciation expense of \$2,505,467, \$717,835 in capital acquisitions, and a \$9,366 loss on sale of equipment. See Note 7 to the basic financial statements for detail.

The following table shows fiscal year 2019 compared to 2018:

Capital Assets at Year-End (Net of Depreciation)		
	Governmental Activities	
	2019	2018
Land	\$ 1,358,840	\$ 1,358,840
Infrastructure	8,781,904	10,533,141
Buildings and improvements	3,655,856	3,855,148
Vehicles and equipment	1,736,930	1,799,743
Construction in progress	345,536	129,192
Totals	<u>\$ 15,879,066</u>	<u>\$ 17,676,064</u>

Debt Administration

At June 30, 2019, the City had \$27,246,984 in outstanding debt, a decrease of \$3,425,000 from June 30, 2018. Of this amount, \$8,785,000 is comprised of debt backed by the full faith and credit of the City. The remainder of the City's bonded debt represents bonds secured solely by specified revenue sources. Activity during the fiscal year was limited to debt repayment. The City had the following long-term debt outstanding at June 30, 2019 and 2018:

Long-term Bonds at Year-End		
	Governmental Activities	
	2019	2018
General obligation bonds	\$ 8,785,000	\$ 10,180,000
Revenue bonds	18,461,984	20,491,984
Totals	<u>\$ 27,246,984</u>	<u>\$ 30,671,984</u>

On September 24, 2018, Moody's Investor Service assigned an A2 rating on the general obligation bonds. See Note 11 to the basic financial statements for detail regarding the City's debt activity.

CITY OF YPSILANTI, MICHIGAN
Management's Discussion and Analysis (unaudited)
Fiscal Year Ended June 30, 2019

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Revenues for all funds for next year are budgeted to be \$103,426 higher than the current fiscal year amended budget. General Fund budget revenue is expected to increase by \$250,000 due to a \$120,000 increase in property tax collection, \$80,000 increase in state revenue sharing and grants that the City will apply for.

For the tax year 2019, the City expects property values to increase by 4.2684%, and the City's operating mill has been reduced from 18.7386 to 18.3137 due to millage rollback. The City continues to look for many options to reduce costs or increase revenues. This is the second year the City will collect Water Street millage which pays partially for the Water Street Debt. The City received \$392,469 for the mental health and public safety millage funding from Washtenaw County for the first time and will receive this funding for eight years. This revenue was used to construct and improve City parks (\$125,000); a study to construct a train stop at Depot Town (\$100,000); a study to remove or retain the Peninsular Dam (\$75,000); and mental health grants to youth (\$75,000). The City will continue to receive an approximate \$122,000 per year through 2020 from Washtenaw County for the 0.50 mill road levy for repair of roads, streets, bridges and culverts.

The City continues to comply with the City, Village and Township Revenue Sharing (CVTRS) program 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 the difference between the actual health insurance costs minus hard cap set by the State of Michigan, Department of Treasury.

The City's spending budget for all funds for next fiscal year is \$535,694 less than the current year amended budget. Some of the listed projects last year were not completed due to turnover in the City Management. Among the major projects that were completed were West Cross Wallace City Limit, Hamilton/Huron/Washington Road Diet, Park Capital Improvement and Council Chambers Upgrade.

REQUESTS FOR ADDITIONAL INFORMATION

This financial report is designed 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.

CITY OF YPSILANTI, MICHIGAN
Statement of Net Position
June 30, 2019

	Primary Government	Component Units
	Governmental Activities	Units
<i>Assets</i>		
Cash and cash equivalents	\$ 14,244,887	\$ 607,212
Investments	3,713,097	-
Receivables	16,382,413	10,815
Land held for resale	1,161,560	-
Special assessments receivable	99,235	-
Due from other governments	1,510,870	-
Prepaid items	155,386	-
Inventory	205,963	-
Net pension asset	3,087,128	-
Nondepreciable capital assets	1,704,376	53,200
Depreciable capital assets, net	14,174,690	1,619,343
Total assets	<u>56,439,605</u>	<u>2,290,570</u>
<i>Deferred Outflows of Resources</i>		
Deferred pension amounts	3,969,792	-
Deferred OPEB amounts	2,370,749	-
Total deferred outflows of resources	<u>6,340,541</u>	<u>-</u>
<i>Liabilities</i>		
Accounts payable	478,870	5,451
Accrued liabilities	556,842	6,286
Tax refunds payable	133,776	-
Unearned revenue	40,072	-
Accrued interest payable	120,978	-
Long-term liabilities:		
Due within one year	3,203,172	70,000
Due in more than one year:		
Net pension liability	24,718,354	-
Net OPEB liability	18,552,325	-
Other amounts due in more than one year	26,208,168	305,000
Total liabilities	<u>74,012,557</u>	<u>386,737</u>
<i>Deferred Inflow of Resources</i>		
Deferred gain on refunding	142,987	-
Deferred pension amounts	141,711	-
Deferred OPEB amounts	810,650	-
Total deferred inflows of resources	<u>1,095,348</u>	<u>-</u>
<i>Net Position</i>		
Net investment in capital assets	15,491,863	1,297,543
Restricted for:		
Highways and streets	3,926,910	-
Public safety	85,064	-
Public transportation	3,434	-
Refuse collections	16,924	-
Debt service	712,230	-
Pension benefits	4,344,682	-
Land held for resale	1,150,450	-
Unrestricted (deficit)	<u>(38,059,316)</u>	<u>606,290</u>
Total net position (deficit)	<u>\$ (12,327,759)</u>	<u>\$ 1,903,833</u>

See accompanying notes to the basic financial statements.

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CITY OF YPSILANTI, MICHIGAN
Statement of Activities
Fiscal Year Ended June 30, 2019

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>	<u>Component Units</u>
					<u>Governmental Activities</u>	<u>Component Units</u>
<u>Functions/Programs</u>						
Primary government:						
Governmental activities:						
General government	\$ 4,177,241	\$ 1,632,037	\$ 36,141	\$ -	\$ (2,509,063)	
Public safety	11,316,595	941,262	497,779	2,072	(9,875,482)	
Public works	735,989	58,724	955	50,000	(626,310)	
Refuse collection	960,542	23,801	-	-	(936,741)	
Highways, streets and bridges	3,091,800	45,520	2,413,025	124,894	(508,361)	
Culture and recreation	529,135	1,125	38,776	20,000	(469,234)	
Community development	453,202	11,200	-	-	(442,002)	
Public transportation	289,809	-	-	-	(289,809)	
Interest and fiscal charges	850,057	-	-	-	(850,057)	
Total primary government	<u>\$ 22,404,370</u>	<u>\$ 2,713,669</u>	<u>\$ 2,986,676</u>	<u>\$ 196,966</u>	(16,507,059)	
Component Units:						
Community/economic development	<u>\$ 488,606</u>	<u>\$ -</u>	<u>\$ 150,000</u>	<u>\$ -</u>		\$ (338,606)
General revenues:						
Property taxes					11,018,343	482,191
Grants and contributions not restricted to specific programs					2,693,174	-
Investment earnings					337,327	8,254
Other					173,598	39,232
Total general revenues					<u>14,222,442</u>	<u>529,677</u>
Change in net position					(2,284,617)	191,071
Net position (deficit)-beginning of year					<u>(10,043,142)</u>	<u>1,712,762</u>
Net position (deficit)-end of year					<u>\$ (12,327,759)</u>	<u>\$ 1,903,833</u>

See accompanying notes to the basic financial statements.

CITY OF YPSILANTI, MICHIGAN
Balance Sheet
Governmental Funds
June 30, 2019

	General	Major Streets	Capital Improvement Reserve	2013 Revenue Refunding Bonds	Nonmajor Governmental Funds	Total Governmental Funds
<i>Assets</i>						
Cash and cash equivalents	\$ 3,382,030	\$ 2,017,213	\$ 576,133	\$ 1,625,141	\$ 2,487,694	\$ 10,088,211
Investments	3,713,097	-	-	-	-	3,713,097
Receivables	223,829	4,346	29,357	-	9,142	266,674
Land held for resale	11,110	-	-	-	1,150,450	1,161,560
Special assessments receivable	99,235	-	-	-	-	99,235
Due from other funds	125,049	-	-	-	-	125,049
Due from other governments	565,867	732,269	-	-	212,734	1,510,870
Prepaid items	70,097	-	-	-	-	70,097
Inventory	192,602	-	-	-	-	192,602
Total assets	\$ 8,382,916	\$ 2,753,828	\$ 605,490	\$ 1,625,141	\$ 3,860,020	\$ 17,227,395
<i>Liabilities</i>						
Accounts payable	\$ 184,572	\$ 61,220	\$ 100,300	\$ -	\$ 121,353	\$ 467,445
Accrued liabilities	541,820	2,751	2,937	-	5,453	552,961
Due to other funds	-	-	-	-	125,049	125,049
Tax refunds payable	114,820	-	-	-	18,956	133,776
Unearned revenue	15,300	-	24,772	-	-	40,072
Total liabilities	856,512	63,971	128,009	-	270,811	1,319,303
<i>Deferred Inflows of Resources</i>						
Unavailable revenue	167,444	-	-	-	-	167,444
<i>Fund Balances</i>						
Nonspendable	273,809	-	-	-	-	273,809
Restricted	-	2,689,857	-	-	3,326,133	6,015,990
Committed	3,714,499	-	477,481	1,625,141	263,076	6,080,197
Unassigned	3,370,652	-	-	-	-	3,370,652
Total fund balances	7,358,960	2,689,857	477,481	1,625,141	3,589,209	15,740,648
Total liabilities, deferred inflows of resources and fund balances	\$ 8,382,916	\$ 2,753,828	\$ 605,490	\$ 1,625,141	\$ 3,860,020	\$ 17,227,395

See accompanying notes to the basic financial statements.

CITY OF YPSILANTI, MICHIGAN
 Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 June 30, 2019

Total governmental fund balances		\$ 15,740,648
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		14,603,906
Unavailable revenues are not available to pay for current-period expenditures and therefore are unavailable in the funds.		167,444
Certain assets and liabilities are not owed or due and payable in the current period and therefore are not reported in the funds:		
Leases receivable from YCUA for debt-financed property	16,105,005	
General obligation bonds	(8,785,000)	
Revenue bonds	(18,461,984)	
Unamortized bond premiums	(1,070,234)	
Accrued interest	(120,978)	
Biltmore agreement	(340,000)	
Compensated absences	<u>(706,919)</u>	(13,380,110)
Deferred inflows of resources from gains on refunding are amortized over the life of the bonds and are not reported in the funds.		(142,987)
Internal service funds are 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 funds are included in governmental activities in the statement of net position		5,478,711
The net pension asset/liability and net OPEB liability are not due and payable in the current period; therefore, the asset/liability are not reported in the governmental funds:		
Net pension asset	3,087,128	
Net pension liability	(24,718,354)	
Net OPEB liability	(18,552,325)	
Deferred outflows - pension/OPEB	6,340,541	
Deferred inflows - pension/OPEB	<u>(952,361)</u>	<u>(34,795,371)</u>
Net position (deficit) of governmental activities		<u>\$ (12,327,759)</u>

CITY OF YPSILANTI, MICHIGAN
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2019

	General	Major Streets	Capital Improvement Reserve	2013 Revenue Refunding Bonds	Nonmajor Governmental Funds	Total Governmental Funds
<i>Revenues</i>						
Taxes and special assessments	\$ 8,582,711	\$ -	\$ -	\$ -	\$ 2,435,632	\$ 11,018,343
Licenses and permits	999,859	7,970	-	-	63,834	1,071,663
Intergovernmental	2,889,142	2,098,664	21,580	744,225	2,798,292	8,551,903
Charges for services	563,582	-	-	-	-	563,582
Fines and forfeitures	542,875	-	-	-	-	542,875
Investment earnings	193,971	29,675	470	-	46,427	270,543
Donations and contributions	105,491	-	-	-	-	105,491
Other	696,095	-	-	-	58,870	754,965
Total revenues	<u>14,573,726</u>	<u>2,136,309</u>	<u>22,050</u>	<u>744,225</u>	<u>5,403,055</u>	<u>22,879,365</u>
<i>Expenditures</i>						
Current:						
General government	2,501,646	-	57,744	-	-	2,559,390
Public safety	8,232,262	-	62,693	-	8,182	8,303,137
Public works	665,277	-	-	-	76,247	741,524
Refuse collection	-	-	-	-	954,998	954,998
Highways, streets and bridges	-	972,010	-	-	366,459	1,338,469
Culture and recreation	558,760	-	199,595	-	-	758,355
Public transportation	-	-	-	-	287,313	287,313
Unallocated employee benefits	1,043,086	-	-	-	-	1,043,086
Tax tribunal refunds	62,917	-	-	-	8,829	71,746
Debt service:						
Principal retirement	-	-	-	600,000	2,825,000	3,425,000
Interest and fiscal charges	-	-	-	144,225	782,525	926,750
Total expenditures	<u>13,063,948</u>	<u>972,010</u>	<u>320,032</u>	<u>744,225</u>	<u>5,309,553</u>	<u>20,409,768</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,509,778</u>	<u>1,164,299</u>	<u>(297,982)</u>	<u>-</u>	<u>93,502</u>	<u>2,469,597</u>
<i>Other Financing Sources (Uses)</i>						
Transfers in	150,000	-	728,430	-	444,980	1,323,410
Transfers out	(808,386)	(140,024)	-	-	(375,000)	(1,323,410)
Total other financing sources (uses)	<u>(658,386)</u>	<u>(140,024)</u>	<u>728,430</u>	<u>-</u>	<u>69,980</u>	<u>-</u>
Net change in fund balances	851,392	1,024,275	430,448	-	163,482	2,469,597
Fund balance-beginning of year	<u>6,507,568</u>	<u>1,665,582</u>	<u>47,033</u>	<u>1,625,141</u>	<u>3,425,727</u>	<u>13,271,051</u>
Fund balance-end of year	<u>\$ 7,358,960</u>	<u>\$ 2,689,857</u>	<u>\$ 477,481</u>	<u>\$ 1,625,141</u>	<u>\$ 3,589,209</u>	<u>\$ 15,740,648</u>

See accompanying notes to the basic financial statements.

CITY OF YPSILANTI, MICHIGAN
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 Fiscal Year Ended June 30, 2019

Net change in fund balances - total governmental funds		\$ 2,469,597
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
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 as depreciation expense:		
Capital asset additions	\$ 558,177	
Depreciation expense	<u>(2,132,634)</u>	(1,574,457)
Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources or not reported in governmental funds:		
Unavailable revenue	(139,845)	
Change in lease receivable from YCUA	<u>(2,881,556)</u>	(3,021,401)
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 governmental funds:		
Compensated absences	143,662	
Interest on long-term debt	127,950	
Amortization of deferred gain on refunding	18,078	
Amortization of premiums	153,479	
Change in net pension asset	(1,936,842)	
Change in net pension liability	(4,258,596)	
Change in net OPEB liability	(616,323)	
Change in deferred outflows - pension/OPEB	1,857,134	
Change in deferred inflows - pension/OPEB	<u>1,137,119</u>	(3,374,339)
Principal paid on long-term debt is recorded as an expenditure on the fund financial statements and recorded as a reduction of the long-term liability in the government-wide statements.		3,425,000
Internal service funds are used by management to charge the cost of certain equipment usage, insurance and benefits to individual funds. The net revenue (expense) attributable to those funds is reported with governmental activities.		(199,651)
Loss on the sale or disposal of capital assets are reported on the statement of activities and not as expenditures of the governmental funds.		<u>(9,366)</u>
Change in net position of governmental activities		<u>\$ (2,284,617)</u>

CITY OF YPSILANTI, MICHIGAN
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		From Final Budget
<i>Revenues</i>				
Taxes and special assessments	\$ 8,571,106	\$ 8,571,106	\$ 8,582,711	\$ 11,605
Licenses and permits	889,560	963,160	999,859	36,699
Intergovernmental	2,751,499	2,862,874	2,889,142	26,268
Charges for services	522,890	591,008	563,582	(27,426)
Fines and forfeitures	447,427	447,427	542,875	95,448
Investment earnings	98,280	155,000	193,971	38,971
Donations and contributions	91,782	136,430	105,491	(30,939)
Other	557,388	701,986	696,095	(5,891)
Total revenues	<u>13,929,932</u>	<u>14,428,991</u>	<u>14,573,726</u>	<u>144,735</u>
<i>Expenditures</i>				
Current:				
General government:				
City council	119,197	120,197	110,340	9,857
City manager	227,036	282,537	258,893	23,644
Elections	78,549	72,064	58,036	14,028
Accounting	432,282	377,849	356,594	21,255
Assessing	95,347	95,347	95,883	(536)
General legal	220,000	220,000	220,000	-
Litigation and appeals	120,000	100,000	37,771	62,229
Personnel legal	20,000	50,000	51,004	(1,004)
City clerk	209,875	205,159	193,961	11,198
Human resources	159,707	253,539	240,000	13,539
Treasurer	154,036	135,049	113,525	21,524
Public building maintenance	244,053	347,631	292,332	55,299
Planning and development	526,072	546,969	473,307	73,662
Total general government	<u>2,606,154</u>	<u>2,806,341</u>	<u>2,501,646</u>	<u>304,695</u>
Public safety:				
Police	5,093,760	5,093,760	4,871,423	222,337
Fire	2,922,812	3,076,345	2,878,329	198,016
Ordinance enforcement	89,572	58,272	52,483	5,789
Building inspection	431,440	432,942	430,027	2,915
Total public safety	<u>8,537,584</u>	<u>8,661,319</u>	<u>8,232,262</u>	<u>429,057</u>
Public works:				
Public works department	305,429	301,429	293,469	7,960
Street lighting	414,000	414,000	371,808	42,192
Total public works	<u>719,429</u>	<u>715,429</u>	<u>665,277</u>	<u>50,152</u>

continued

See accompanying notes to the basic financial statements.

CITY OF YPSILANTI, MICHIGAN
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
Fiscal Year Ended June 30, 2019
(continued)

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
<i>Expenditures (continued)</i>				
Current (continued):				
Culture and recreation	\$ 459,628	\$ 625,376	\$ 558,760	\$ 66,616
Unallocated employee benefits	789,246	1,006,941	1,043,086	(36,145)
Tax tribunal refunds	10,000	10,000	62,917	(52,917)
Total expenditures	13,122,041	13,825,406	13,063,948	761,458
Excess of revenues over expenditures	807,891	603,585	1,509,778	906,193
<i>Other Financing Sources (Uses)</i>				
Transfers in	150,000	150,000	150,000	-
Transfers out	(782,386)	(808,386)	(808,386)	-
Total other financing sources (uses)	(632,386)	(658,386)	(658,386)	-
Net change in fund balances	175,505	(54,801)	851,392	\$ 906,193
Fund balance-beginning of year	6,507,568	6,507,568	6,507,568	
Fund balance-end of year	\$ 6,683,073	\$ 6,452,767	\$ 7,358,960	

See accompanying notes to the basic financial statements.

CITY OF YPSILANTI, MICHIGAN
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Major Streets Special Revenue Fund
Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		From Final Budget
<i>Revenues</i>				
Licenses and permits	\$ 6,000	\$ 6,000	\$ 7,970	\$ 1,970
Intergovernmental	1,918,165	1,918,165	2,098,664	180,499
Investment earnings	6,300	6,300	29,675	23,375
Other	500	500	-	(500)
Total revenues	<u>1,930,965</u>	<u>1,930,965</u>	<u>2,136,309</u>	<u>205,344</u>
<i>Expenditures</i>				
Current:				
Highways, streets and bridges:				
Street construction	1,078,561	1,147,271	409,992	737,279
Routine maintenance	457,669	452,824	283,086	169,738
Routine maintenance-bridges	6,500	6,500	7,193	(693)
Traffic services	121,212	121,212	117,787	3,425
Winter maintenance	87,928	87,928	62,365	25,563
Administration	55,252	55,252	32,246	23,006
Trunkline maintenance	90,369	91,504	59,341	32,163
Total expenditures	<u>1,897,491</u>	<u>1,962,491</u>	<u>972,010</u>	<u>990,481</u>
Excess (deficiency) of revenues over (under) expenditures	<u>33,474</u>	<u>(31,526)</u>	<u>1,164,299</u>	<u>1,195,825</u>
<i>Other Financing Uses</i>				
Transfers out	<u>(140,024)</u>	<u>(140,024)</u>	<u>(140,024)</u>	<u>-</u>
Net change in fund balances	(106,550)	(171,550)	1,024,275	<u>\$ 1,195,825</u>
Fund balance-beginning of year	<u>1,665,582</u>	<u>1,665,582</u>	<u>1,665,582</u>	
Fund balance-end of year	<u>\$ 1,559,032</u>	<u>\$ 1,494,032</u>	<u>\$ 2,689,857</u>	

See accompanying notes to the basic financial statements.

CITY OF YPSILANTI, MICHIGAN
Statement of Net Position
Proprietary Funds
June 30, 2019

	Internal Service Funds
<i>Assets</i>	
Current assets:	
Equity in pooled cash and cash equivalents	\$ 4,156,676
Receivables	10,734
Inventory	13,361
Prepaid items	<u>85,289</u>
Total current assets	<u>4,266,060</u>
Noncurrent assets:	
Depreciable capital assets, net	<u>1,275,160</u>
Total assets	<u>5,541,220</u>
<i>Liabilities</i>	
Current liabilities:	
Accounts payable	11,425
Accrued liabilities	3,881
Capital leases payable - current	<u>23,260</u>
Total current liabilities	<u>38,566</u>
Noncurrent liabilities:	
Capital leases payable - net of current portion	<u>23,943</u>
Total liabilities	<u>62,509</u>
<i>Net Position</i>	
Net investment in capital assets	1,227,957
Unrestricted	<u>4,250,754</u>
Total net position	<u><u>\$ 5,478,711</u></u>

See accompanying notes to the basic financial statements.

CITY OF YPSILANTI, MICHIGAN
Statement of Revenues, Expenses and Change in Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2019

	Internal Service Funds
<i>Operating Revenues</i>	
Charges for services	\$ 2,273,057
Other	10,140
Total operating revenues	<u>2,283,197</u>
<i>Operating Expenses</i>	
Salaries, taxes and benefits	171,660
Gas, oil and fuel	102,898
Depreciation	372,833
Operation and maintenance	91,148
Contractual services and fees	163,563
Insurance and other	73,453
Benefits and claims	<u>1,588,070</u>
Total operating expenses	<u>2,563,625</u>
Operating loss	<u>(280,428)</u>
<i>Nonoperating Revenues (Expenses)</i>	
Investment income	66,784
Interest expense	(2,052)
Operating grants	12,149
Gain on sale of equipment	<u>3,896</u>
Total nonoperating revenues (expenses)	<u>80,777</u>
Change in net position	(199,651)
Net position-beginning of year	<u>5,678,362</u>
Net position-end of year	<u>\$ 5,478,711</u>

See accompanying notes to the basic financial statements.

CITY OF YPSILANTI, MICHIGAN
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2019

	Internal Service Funds
	<u> </u>
<i>Cash Flows from Operating Activities</i>	
Cash received from interfund charges	\$ 2,307,721
Cash payments for employee services and benefits	(172,420)
Cash payments for claims	(1,550,439)
Cash payments to suppliers for goods and services	<u>(470,923)</u>
Net cash flows from operating activities	<u>113,939</u>
 <i>Cash Flows from Noncapital Financing Activities</i>	
Cash received from other governments	<u>12,149</u>
 <i>Cash Flows from Capital and Related Financing Activities</i>	
Acquisition of capital assets	(159,658)
Proceeds from sale of assets	3,896
Principal paid on capital lease	(22,595)
Interest paid on capital lease	<u>(2,052)</u>
Net cash flows from capital and related financing activities	<u>(180,409)</u>
 <i>Cash Flows from Investing Activities</i>	
Investment earnings	66,784
Proceeds from sale of investments	<u>1,278,813</u>
Net cash flows from investing activities	<u>1,345,597</u>
 Net increase in cash and cash equivalents	 1,291,276
 Cash and cash equivalents beginning of year	 <u>2,865,400</u>
Cash and cash equivalents end of year	<u>\$ 4,156,676</u>
 <i>Reconciliation of operating loss to net cash flows from operating activities:</i>	
Operating loss	\$ (280,428)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation	372,833
Changes in assets and liabilities:	
Receivables	24,524
Inventory	(4,929)
Prepaid items	33,872
Accounts payable	(31,173)
Accrued liabilities	<u>(760)</u>
 Net cash flows from operating activities	 <u>\$ 113,939</u>

See accompanying notes to the basic financial statements.

CITY OF YPSILANTI, MICHIGAN
Statement of Net Position
Fiduciary Funds
June 30, 2019

	Police and Fire Retirement System Trust	<u>Agency</u>
<i>Assets</i>		
Cash and cash equivalents	\$ 2,625,895	\$ 4,726
Investments:		
U.S. agencies	2,165,846	-
Corporate bonds	3,164,396	-
Domestic equities	13,017,307	-
International equities	1,086,420	-
Mutual funds	4,096,036	-
Real estate investment trusts	168,702	-
Money market accounts	1,018,209	-
Total assets	<u>27,342,811</u>	<u>4,726</u>
<i>Liabilities</i>		
Accounts payable	2,007,774	-
Undistributed monies	-	4,726
Total liabilities	<u>2,007,774</u>	<u>\$ 4,726</u>
<i>Net Position</i>		
Restricted for pension benefits	<u>\$ 25,335,037</u>	

See accompanying notes to the basic financial statements.

CITY OF YPSILANTI, MICHIGAN
Statement of Changes in Net Position
Fiduciary Fund
Fiscal Year Ended June 30, 2019

	Police and Fire Retirement System Trust
<i>Additions</i>	
Contributions:	
Employer	\$ 1,517,865
Plan members	200,724
Total contributions	<u>1,718,589</u>
Investment earnings:	
Interest and dividends	648,636
Net appreciation in fair value of investments	368,979
Less: investment expenses	<u>(93,981)</u>
Net investment earnings	<u>923,634</u>
Total additions	<u>2,642,223</u>
<i>Deductions</i>	
Benefits	3,749,197
Refunds	90,870
Administrative expenses	<u>68,881</u>
Total deductions	<u>3,908,948</u>
Change in net position	(1,266,725)
Net position beginning of year	<u>26,601,762</u>
Net position end of year	<u>\$ 25,335,037</u>

See accompanying notes to the basic financial statements.

CITY OF YPSILANTI, MICHIGAN
Combining Statement of Net Position
Component Units
June 30, 2019

	Downtown Development Authority	Depot Town Downtown Development Authority	Economic Development Corporation	Total
<i>Assets</i>				
Cash and cash equivalents	\$ 247,939	\$ 326,227	\$ 33,046	\$ 607,212
Receivables	10,300	515	-	10,815
Nondepreciable capital assets	-	-	53,200	53,200
Depreciable capital assets, net	<u>1,373,551</u>	<u>245,792</u>	<u>-</u>	<u>1,619,343</u>
Total assets	<u>1,631,790</u>	<u>572,534</u>	<u>86,246</u>	<u>2,290,570</u>
<i>Liabilities</i>				
Accounts payable	3,686	1,765	-	5,451
Accrued liabilities	6,286	-	-	6,286
Long-term liabilities:				
Due within one year	70,000	-	-	70,000
Due in more than one year	<u>305,000</u>	<u>-</u>	<u>-</u>	<u>305,000</u>
Total liabilities	<u>384,972</u>	<u>1,765</u>	<u>-</u>	<u>386,737</u>
<i>Net Position</i>				
Net investment in capital assets	998,551	245,792	53,200	1,297,543
Unrestricted	<u>248,267</u>	<u>324,977</u>	<u>33,046</u>	<u>606,290</u>
Total net position	<u>\$ 1,246,818</u>	<u>\$ 570,769</u>	<u>\$ 86,246</u>	<u>\$ 1,903,833</u>

See accompanying notes to the basic financial statements.

CITY OF YPSILANTI, MICHIGAN
 Combining Statement of Activities
 Component Units
 Fiscal Year Ended June 30, 2019

	Downtown Development Authority	Depot Town Downtown Development Authority	Economic Development Corporation	Total
<i>Expenses</i>				
Community development	\$ 293,225	\$ 194,831	\$ 550	\$ 488,606
<i>Program Revenue</i>				
Operating grants and contributions	150,000	-	-	150,000
<i>General Revenue</i>				
Property taxes	272,290	209,901	-	482,191
Other revenue	34,232	5,000	-	39,232
Investment earnings	2,571	5,113	570	8,254
Total general revenue	309,093	220,014	570	529,677
Net change in net position	165,868	25,183	20	191,071
Net position-beginning of year	1,080,950	545,586	86,226	1,712,762
Net position-end of year	\$ 1,246,818	\$ 570,769	\$ 86,246	\$ 1,903,833

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CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Ypsilanti, Michigan (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (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 following is a summary of the significant accounting policies used by the City.

A. Reporting Entity

The City 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 legally 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 City only has discretely presented component units.

The component units discussed below are included in the City's financial reporting entity because of the significance of their operational or financial relationship with the City. Each discretely presented component unit has a June 30th fiscal year end.

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 financial statements are not available.

Depot Town Downtown Development Authority - 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 financial statements are not available.

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 financial statements are not available.

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. The BRA had no financial activity during the fiscal year.

B. 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.

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-wide and Fund Financial Statements (continued)

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.

C. 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.

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.

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

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 state and local funding for construction and maintenance of City streets identified as major streets under the State of Michigan Act 51 of the Public Acts of 1951.

The *capital improvement reserve capital projects fund* accounts for activity related to various capital improvement projects. Revenues come from various grants.

The *2013 revenue refunding bonds capital projects fund* accounts for activity related to various capital improvement projects. Finances come from a bond issue.

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 the Financial Statements
Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

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).

D. 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 an original 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.

E. 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.

F. Inventory and Prepaid Items

Inventory in the general and internal service funds is valued at cost, using the first-in, first-out method. Inventory of governmental funds is recorded as an expenditure when consumed.

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.

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Capital Assets

Capital assets, which include land, buildings and improvements, vehicles and 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 acquisition 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:

Infrastructure	15 years
Buildings and improvement	5 to 70 years
Vehicles and equipment	3 to 20 years

H. Deferred Outflows and Inflows 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 City has two items that qualify for reporting in this category and are reported in the government-wide statement of net position; pension and other postemployment benefits (OPEB). These are addressed in Notes 16 and 17, respectively.

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. For the City, deferred inflows of resources include unavailable revenue, deferred charge on refunding, pension and OPEB. Unavailable revenue is reported only on the governmental fund financial statements and represents receivables that will not be collected within the available period (sixty days after fiscal year-end). Deferred charge on refunding results from the difference in the carrying value of refunded debt and its acquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred inflows of resources related to pension and OPEB are addressed in Notes 16 and 17, respectively.

I. Compensated Absences

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

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. 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.

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 source. 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.

K. 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 and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

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.

L. 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 the Financial Statements
Fiscal Year Ended June 30, 2019

2. BUDGETARY INFORMATION (continued)

Budgetary control is exercised at the fund level; expenditures in excess of amounts appropriated at this level are a violation of Michigan law. The accompanying budget to actual comparisons are presented at a greater level of detail than the adopted budget for management analysis only. Supplemental budgetary appropriations were made during the year, the total of which was not significant in relation to the original appropriations.

Encumbrance accounting, under which purchase orders, contracts and other firm commitments are used for the expenditure of monies, is utilized as an extension of formal budgetary control in the governmental funds. Encumbered amounts lapse at fiscal year-end.

3. 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 fiscal year activity and the cumulative shortfall generated since January 1, 2000 is as follows:

Current year building permit revenue	\$ 595,760
Less related expenditures:	
Direct costs	425,115
Estimated indirect costs	<u>42,881</u>
Current year surplus	127,764
Cumulative shortfall, beginning of year	<u>(686,510)</u>
Cumulative shortfall, end of year	<u>\$ (558,746)</u>

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

4. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of June 30, 2019 with the financial statements:

	Primary Government	Component Units	Total
Statement of Net Position			
Cash and cash equivalents	\$ 14,244,887	\$ 607,212	\$14,852,099
Investments	3,713,097	-	3,713,097
 Statement of Fiduciary Net Position			
Agency Fund	4,726	-	4,726
Pension Trust Fund:			
Cash and cash equivalents	2,625,895	-	2,625,895
Investments	24,716,916	-	24,716,916
	\$ 45,305,521	\$ 607,212	\$45,912,733
 Deposits and Investments			
Bank deposits (checking, savings and certificates of deposit)			\$ 5,863,862
Investments in securities, mutual funds and similar vehicles:			
City investment pool (including \$500,128 certificates of deposit with original maturities greater than three months)			15,329,480
Pension trust fund			24,716,916
Cash on hand			2,475
			\$45,912,733

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 City. The City’s carrying balance as of June 30, 2019 was \$5,863,862. As of June 30, 2019, \$5,649,071 of the City’s total bank balance of \$6,149,071 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 institution with an acceptable estimated risk level are used as depositories.

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

4. DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk—City Investment Pool. The following is a summary of the City’s investments as of June 30, 2019:

Local government investment pool	\$ 3,713,097
Commerical paper	8,922,564
Money market accounts	2,193,691
Certificates of deposit (maturities > 3 months)	500,128
Total investments	<u>\$15,329,480</u>

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, 2019, 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, 2019, the City’s investments in commercial paper was rated P1 by Moody’s and the local government investment pool was rated AAAm by Standard & Poor’s. Ratings are not required for money market accounts. The City’s investment policy does not have specific limits in excess of State law on investment credit risk.

Concentration of Credit Risk. The City’s investment policy does not address concentration of credit risk. At June 30, 2019, the investment portfolio of the City was concentrated in the following:

Investment	Balance	Concentration
Federated government obligation money market	\$ 2,031,576	13.3%
MUFG Bank Ltd. commercial paper	1,989,379	13.0%
Pfizer Inc. commercial paper	1,488,886	9.7%
JP Morgan Securities commercial paper	1,477,500	9.6%
Toyota Co. Commercial Paper	999,348	6.5%
Credit Suiesse First Boston commercial paper	996,070	6.5%
Hyundai commercial paper	994,367	6.5%
Bank of China commercial paper	991,895	6.4%

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, 2019, maturities of the City’s investments in commercial paper were less than one year. The City’s investment policy does not address interest rate risk.

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

5. INVESTMENTS—PENSION TRUST FUNDS

Fair Value Measurements. The City categorizes the fair value measurements of its investments within the fair value hierarchy established by GAAP. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. These levels are determined by the City's investment manager based on a review of the investment class, structure and what kind of securities are held in the portfolio. The City's holdings are classified in Level 1 of the fair value hierarchy

The investment 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. The following is a summary of the System's investments as of June 30, 2019:

Investments at fair value	
U.S. agencies	\$ 2,165,846
Corporate bonds	3,164,396
Domestic equities	13,017,307
International equities	1,086,420
Mutual funds	4,096,036
Domestic real estate investment trusts	168,702
Money market accounts	1,018,209
	<u>\$24,716,916</u>

Credit Risk. As of June 30, 2019, the System's investments in U.S. agency securities were rated Aaa by Moody's and its domestic corporate bonds were rated as follows:

A2	\$ 531,207
A3	845,868
Aa1	230,186
Baa1	779,238
Baa2	777,897
	<u>\$ 3,164,396</u>

The System's policy regarding credit risk provides that a minimum of 70% of fixed income investments (U.S. agency securities and domestic corporate bonds) must be in the top three major grades as determined by Moody's and the balance must be in the top four major grades.

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

5. INVESTMENTS—PENSION TRUST FUNDS (continued)

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 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, 2019, 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, 2019, maturities of the System’s debt securities were as follows:

	Fair Value	Maturities in Years			
		Less Than 1	1 to 5	6 to 10	More than 10
U.S. agencies	\$ 2,165,846	\$ -	\$ -	\$ 10,930	\$ 2,154,916
Corporate bonds	3,164,396	200,516	1,340,503	852,342	771,035
	<u>\$ 5,330,242</u>	<u>\$ 200,516</u>	<u>\$ 1,340,503</u>	<u>\$ 863,272</u>	<u>\$ 2,925,951</u>

Of the above corporate bonds, \$1,819,328 of the total is callable.

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

Foreign Currency Risk. Foreign currency risk is the risk that significant fluctuations in exchange rates may adversely affect the fair value of an investment. The System’s exposure to foreign currency risk is 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 68% of total mutual fund holdings of \$4,096,036), predominately in European, Japanese 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 investments.

Fair Value Measurement. The System categorizes the fair value measurement of its investments within the fair value hierarchy established by GAAP. Level 1 inputs are quoted prices in active markets; Level 2 inputs are significant observable inputs; and Level 3 inputs are significant unobservable inputs. These levels are determined by the System’s investment manager at the portfolio level based on a review of the investment class, structure and what kind of securities are held in the portfolio. The investment manager will request the information from the portfolio manager, if necessary.

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

5. INVESTMENTS—PENSION TRUST FUNDS (continued)

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The System had the following recurring fair value measurements as of June 30, 2019:

	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
U.S. agencies	\$ 2,165,846	\$ -	\$2,165,846	\$ -
Corporate bonds	3,164,396	-	3,164,396	-
Domestic equities	13,017,307	13,017,307	-	-
International equities	1,086,420	1,086,420	-	-
Mutual funds	4,096,036	4,096,036	-	-
Real estate investment trusts	168,702	-	168,702	-
Portfolio cash	1,018,209	1,018,209	-	-
	<u>\$24,716,916</u>	<u>\$ 19,217,972</u>	<u>\$5,498,944</u>	<u>\$ -</u>

6. RECEIVABLES

Receivables in the governmental activities are 89.5% leases (approximately 11.6% of which will be collected within one year), 8.4% due from other governments and 2.1% other receivables.

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

7. CAPITAL ASSETS

Capital asset activity for the City as of June 30, 2019 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital assets not being depreciated:</i>				
Land	\$ 1,358,840	\$ -	\$ -	\$ 1,358,840
Construction in progress	129,192	216,344	-	345,536
Total capital assets not being depreciated	<u>1,488,032</u>	<u>216,344</u>	<u>-</u>	<u>1,704,376</u>
<i>Capital assets being depreciated:</i>				
Infrastructure	45,012,891	107,788	-	45,120,679
Buildings and improvements	8,067,050	-	-	8,067,050
Vehicles and equipment	8,182,605	393,703	(61,593)	8,514,715
Total capital assets being depreciated	<u>61,262,546</u>	<u>501,491</u>	<u>(61,593)</u>	<u>61,702,444</u>
<i>Less accumulated depreciation</i>				
Infrastructure	(34,479,750)	(1,859,025)	-	(36,338,775)
Buildings and improvements	(4,211,902)	(199,292)	-	(4,411,194)
Vehicles and equipment	(6,382,862)	(447,150)	52,227	(6,777,785)
Total accumulated depreciation	<u>(45,074,514)</u>	<u>(2,505,467)</u>	<u>52,227</u>	<u>(47,527,754)</u>
Net capital assets being depreciated	<u>16,188,032</u>	<u>(2,003,976)</u>	<u>(9,366)</u>	<u>14,174,690</u>
Governmental activities capital assets, net	<u>\$17,676,064</u>	<u>\$ (1,787,632)</u>	<u>\$ (9,366)</u>	<u>\$15,879,066</u>

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

7. CAPITAL ASSETS (continued)

Depreciation expense was charged to programs of the City as follows:

General government	\$ 44,014
Public safety	93,956
Public works	5,466
Highways, streets and bridges	1,893,490
Culture and recreation	95,708
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	372,833
Total depreciation expense	<u>\$ 2,505,467</u>

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

	Beginning Balance	Additions	Deletions	Ending Balance
Component Units				
<i>Capital assets not being depreciated:</i>				
Land	\$ 53,200	\$ -	\$ -	\$ 53,200
 <i>Capital assets being depreciated:</i>				
Buildings and improvements	3,693,036	-	-	3,693,036
<i>Less accumulated depreciation</i>				
Buildings and improvements	(1,986,554)	(87,139)	-	(2,073,693)
Net capital assets being depreciated	<u>1,706,482</u>	<u>(87,139)</u>	<u>-</u>	<u>1,619,343</u>
Governmental activities capital assets, net	<u>\$ 1,759,682</u>	<u>\$ (87,139)</u>	<u>\$ -</u>	<u>\$ 1,672,543</u>

8. PAYABLES

Payables in the governmental activities are 43.1% accrued liabilities, 10.4% property tax refunds, 9.4% interest and 37.1% vendors.

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

9. INTERFUND TRANSACTIONS

Transfer transactions for the fiscal year ended June 30, 2019 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>			<u>Total</u>
	<u>General</u>	<u>Major Streets</u>	<u>Nonmajor Governmental Funds</u>	
General Fund	\$ -	\$ -	\$ 150,000	\$ 150,000
Capital Improvement Reserve	728,430	-	-	728,430
Nonmajor Governmental Funds	79,956	140,024	225,000	444,980
	<u>\$ 808,386</u>	<u>\$ 140,024</u>	<u>\$ 375,000</u>	<u>\$ 1,323,410</u>

Most significant of the transactions were transfers between the general fund, the capital improvement reserve fund and nonmajor governmental funds (i.e., special revenue, debt service and capital projects funds) to finance various programs and bond principal payments.

Also during the fiscal year ended June 30, 2019, the general fund provided \$125,049 in operating capital to the public safety nonmajor governmental fund, reported as due from / due to other funds in the fund financial statements.

10. 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 City expects such amounts, if any, to be immaterial.

The City is defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

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 2016, 2017, 2018 and 2019. 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 \$2,034,000 in taxable value. The City is vigorously defending all such litigation.

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

11. LONG-TERM OBLIGATIONS

A. Primary Government

Changes in the City's long-term obligation during the fiscal year ended June 30, 2019 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
<i>General obligation bonds:</i>					
2013 Refunding	\$ 820,000	\$ -	\$ (820,000)	\$ -	\$ -
2016 Refunding	9,360,000	-	(575,000)	8,785,000	590,000
Total general obligation bonds	<u>10,180,000</u>	<u>-</u>	<u>(1,395,000)</u>	<u>8,785,000</u>	<u>590,000</u>
<i>Revenue bonds:</i>					
2002-B Water/Sewer (DWRf)	120,000	-	(30,000)	90,000	30,000
2003-C Water/Sewer (DWRf)	280,000	-	(45,000)	235,000	45,000
2003-D Water/Sewer (DWRf)	1,875,000	-	(295,000)	1,580,000	300,000
2004-B Water/Sewer (DWRf)	2,530,000	-	(340,000)	2,190,000	345,000
2007 Water/Sewer (DWRf)	163,702	-	(15,000)	148,702	15,000
2008 Water/Sewer (DWRf)	259,253	-	(20,000)	239,253	20,000
2009 Water/Sewer (DWRf)	99,029	-	(5,000)	94,029	5,000
2012 Water/Sewer (DWRf)	2,430,000	-	(125,000)	2,305,000	130,000
2013 Water/Sewer refunding	3,890,000	-	(600,000)	3,290,000	630,000
2015 Water/Sewer (DWRf)	390,000	-	(20,000)	370,000	20,000
2016 Water/Sewer refunding	8,455,000	-	(535,000)	7,920,000	555,000
Total revenue bonds	<u>20,491,984</u>	<u>-</u>	<u>(2,030,000)</u>	<u>18,461,984</u>	<u>2,095,000</u>
2015 Capital lease	69,798	-	(22,595)	47,203	23,260
<i>Direct borrowing:</i>					
Biltmore agreement	340,000	-	-	340,000	-
Unamortized premiums	1,223,713	-	(153,479)	1,070,234	-
Compensated absences	850,581	344,667	(488,329)	706,919	494,912
Total governmental activities long-term obligations	<u>\$ 33,156,076</u>	<u>\$ 344,667</u>	<u>\$ (4,089,403)</u>	<u>\$29,411,340</u>	<u>\$ 3,203,172</u>

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

11. LONG-TERM OBLIGATIONS (continued)

A. Primary Government (continued)

General Obligation Bonds. The City issues general obligation bonds to provide funds for remediation on land held for resale. General obligation bonds have been issued for governmental activities. The original amount of general obligation bonds issued in prior years for items listed was \$12,380,000.

General obligation bonds are direct obligations that pledge the full faith and credit of the City. These bonds are issued as 10 to 20-year serial bonds with varying amounts of principal maturing each year. Interest rates on the outstanding general obligation bonds are as follows:

2013 refunding bonds	1.31%
2016 refunding bonds	2.02% - 4.00%

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 the Ypsilanti Community Utilities Authority (see Note 18), which manages and operates the related water and wastewater systems. The original amount of revenue bonds issued in the current and prior years was \$33,024,702.

The Drinking Water Revolving Fund (DWRP) revenue bonds, with the State of Michigan, each have an interest rate of 2.5%. The 2013 and 2016 water/sewer refunding bonds have interest rates of 2.0% to 4.0%.

Installment Obligations. The City has entered into various long-term loan and installment payment agreements. The 2015 capital lease was entered into for a wheel loader at an interest rate of 2.94% and matures in 2021. The repayment of the remaining \$340,000 on the Biltmore agreement direct borrowing is contingent upon certain future events occurring between now and 2030, primarily of which is the City's sale of the former Biltmore property. The likelihood of such future sale is presently indeterminable.

Principal and interest requirements to retire the City's long-term obligations outstanding at June 30, 2019 are as follows:

Year Ending June 30,	General Obligation Bonds		Revenue Bonds		Capital Lease	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 590,000	\$ 278,516	\$ 2,095,000	\$ 562,048	\$ 23,260	\$ 1,388
2021	615,000	266,598	2,165,000	497,753	23,943	704
2022	635,000	252,638	2,220,000	437,174	-	-
2023	655,000	237,080	2,285,000	368,674	-	-
2024	680,000	219,396	2,360,000	274,034	-	-
2025-2029	3,825,000	772,574	6,316,984	546,740	-	-
2030-2034	1,785,000	108,000	990,000	51,709	-	-
2035	-	-	30,000	(317)	-	-
	<u>\$ 8,785,000</u>	<u>\$ 2,134,802</u>	<u>\$ 18,461,984</u>	<u>\$ 2,737,815</u>	<u>\$ 47,203</u>	<u>\$ 2,092</u>

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

11. LONG-TERM OBLIGATIONS (continued)

B. Component Unit

Component unit general obligation bonds outstanding at June 30, 2019 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Component Units					
<i>General obligation bonds:</i>					

The general obligation bonds have interest rates of 4.35% to 4.60%. The principal and interest requirements to retire the general obligation bonds outstanding at June 30, 2019 are as follows:

Year Ending June 30,	Downtown Development - 2004A	
	Principal	Interest
2020	\$ 70,000	\$ 16,970
2021	70,000	13,925
2022	75,000	10,810
2023	80,000	7,360
2024	80,000	3,680
	\$ 375,000	\$ 52,745

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

12. FUND BALANCES

Fund balances are classified as nonspendable, restricted, committed, assigned and unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the resources in the governmental funds. The constraints placed upon fund balance for the major governmental funds and nonmajor governmental funds are as follows:

	General	Major Streets	Capital Improvement Reserve	2013 Revenue Refunding Bonds	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid items	\$ 70,097	\$ -	\$ -	\$ -	\$ -	\$ 70,097
Inventory	192,602	-	-	-	-	192,602
Land held for resale	11,110	-	-	-	-	11,110
Total nonspendable	<u>273,809</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>273,809</u>
Restricted for:						
Major and local streets	-	2,689,857	-	-	1,237,053	3,926,910
Public safety	-	-	-	-	85,064	85,064
Public transportation	-	-	-	-	3,434	3,434
Refuse collections	-	-	-	-	16,924	16,924
Land held for resale	-	-	-	-	1,150,450	1,150,450
Debt service	-	-	-	-	833,208	833,208
Total restricted	<u>-</u>	<u>2,689,857</u>	<u>-</u>	<u>-</u>	<u>3,326,133</u>	<u>6,015,990</u>
Committed for:						
Active employees cumulative benefits	706,919	-	-	-	-	706,919
Energy efficiency and conservation project	507,580	-	-	-	-	507,580
Peninsular dam inspection study and repair	500,000	-	-	-	-	500,000
Train Stop project	2,000,000	-	-	-	-	2,000,000
Capital projects	-	-	477,481	-	263,076	740,557
Debt service	-	-	-	1,625,141	-	1,625,141
Total committed	<u>3,714,499</u>	<u>-</u>	<u>477,481</u>	<u>1,625,141</u>	<u>263,076</u>	<u>6,080,197</u>
Unassigned	<u>3,370,652</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,370,652</u>
Fund Balance Totals	<u>\$ 7,358,960</u>	<u>\$ 2,689,857</u>	<u>\$ 477,481</u>	<u>\$ 1,625,141</u>	<u>\$ 3,589,209</u>	<u>\$ 15,740,648</u>

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

13. NET INVESTMENT IN CAPITAL ASSETS

The components of the net investment in capital assets in the governmental activities at June 30, 2019 was as follows:

Capital assets not being depreciated	\$ 1,704,376
Capital assets being depreciated, net	14,174,690
Capital lease	(47,203)
Biltmore agreement	(340,000)
Net Investment in Capital Assets	<u>\$ 15,491,863</u>

The general obligation bonds were used to finance remediation activities on land held for resale. The DWRP revenue bonds' proceeds were contributed to the Ypsilanti Community Utilities Authority for various water and sewer improvements and construction on their infrastructure (see Note 18).

14. 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 and participates in the Michigan Municipal League Workers' Compensation Fund 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.

15. 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 2018 levy was \$317,504,817. The City's general operating tax rate for fiscal year 2019 was 18.3137 mills plus 2.6778 mills for sanitation, 2.0613 mills for streets, 0.9424 for public transit and 10.1471 mills for police and fire pension.

Property taxes are recognized in the fiscal year in which they are levied. Property taxes for the component units are derived from tax increment financing agreements with the various applicable taxing authorities. Under these arrangements, the tax increment finance entities receive the property taxes levied on the increment of current taxable values over the base year values on those properties located within the established tax increment financing district.

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

16. DEFINED BENEFIT PENSION PLANS

The net pension asset, net pension liability and related deferred outflows and inflows of resources recorded in the accrual basis financial statements as of June 30, 2019 were as follows:

	Police and Fire Retirement System	MERS of Michigan	Total
Net pension asset	\$ -	\$3,087,128	\$3,087,128
Net pension liability	24,718,354	-	24,718,354
Deferred outflows of resources	2,594,643	1,375,149	3,969,792
Deferred inflows of resources	24,116	117,595	141,711
Pension expense	4,480,970	(59,501)	4,421,469

A. 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 System is included in the City's financial report as a pension trust fund.

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

The financial statements of the System are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Investments that do not have established market values are reported at estimated fair values as determined by the custodian under the direction of the Retirement Board with the assistance of a valuation service. Administrative costs are financed through investment earnings.

Plan Membership. At June 30, 2018, the date of the latest actuarial valuation, membership in the plan consisted of the following:

Retirees and beneficiaries receiving benefits	128
Terminated employees entitled to but not yet receiving benefits	2
Active employees	30
Total	160

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

16. DEFINED BENEFIT PENSION PLANS (continued)

A. Police and Fire Retirement System (continued)

Benefits Provided. The System provides retirement, disability, and death benefits. Generally, retirement benefits are calculated as a percentage 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:

<u>Eligibility</u>	<u>Amount of Benefit</u>
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 1.0% of AFC times years of service in excess of 25 years, 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 options.

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 54.31% of covered payroll.

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

16. DEFINED BENEFIT PENSION PLANS (continued)

A. Police and Fire Retirement System (continued)

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 fiscal year ended June 30, 2019 is as follows:

Beginning balance	\$ 1,542,478
Credits	434,492
Interest	68,784
Distributions	(50,000)
Adjustments	644
Ending balance	<u>\$ 1,996,398</u>

Net Pension Liability. The City's net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 (as rolled forward to June 30, 2019).

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2018 and rolled forward to the measurement date of June 30, 2019, 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%, including inflation
Investment rate of return	7.5%, net of pension plan investment expense, including inflation
Mortality rates	RP-2014 Healthy Annuitant Mortality Table for males and females projected 6 years to 2020, with MP-2014. The provision for future mortality improvement is the projection to 2020.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2009 through June 30, 2014.

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

16. DEFINED BENEFIT PENSION PLANS (continued)

A. Police and Fire Retirement System (continued)

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, 2019, 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, 2019 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	50%	7.67%
Domestic fixed income	15%	4.80%
International equity	33%	7.20%
Cash	2%	2.30%
	100%	

Discount Rate. The discount rate used to measure the total pension liability was 7.0%. 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.

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

16. DEFINED BENEFIT PENSION PLANS (continued)

A. Police and Fire Retirement System (continued)

Changes in the Net Pension Liability. The components of the changes 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, 2018	\$ 47,061,520	\$ 26,601,762	\$ 20,459,758
Changes for the fiscal year:			
Service cost	427,454	-	427,454
Interest	3,401,642	-	3,401,642
Differences between expected and actual experience	(46,777)	-	(46,777)
Assumption Changes	3,049,619	-	3,049,619
Employer contributions	-	1,517,865	(1,517,865)
Employee contributions	-	200,724	(200,724)
Net investment income	-	923,634	(923,634)
Benefit payments, including refunds of employee contributions	(3,840,067)	(3,840,067)	-
Administrative expense	-	(68,881)	68,881
Net changes	<u>2,991,871</u>	<u>(1,266,725)</u>	<u>4,258,596</u>
Balances at June 30, 2019	<u>\$ 50,053,391</u>	<u>\$ 25,335,037</u>	<u>\$ 24,718,354</u>

Sensitivity of 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 7.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.0%) and 1% higher (8.0%) than the current discount rate:

	1% Decrease (6.0%)	Current Rate (7.0%)	1% Increase (8.0%)
Net pension liability	\$ 30,077,126	\$ 24,718,354	\$ 20,091,780

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

16. DEFINED BENEFIT PENSION PLANS (continued)

A. Police and Fire Retirement System (continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension. For the year ended June 30, 2019, the City recognized pension expense of \$4,480,970. The City reported deferred outflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 116,590	\$ 24,116
Assumption changes	1,572,234	-
Net difference between projected and actual earnings on pension plan investments	905,819	-
Total	\$ 2,594,643	\$ 24,116

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date, if any, will be recognized as a reduction in the net pension liability for the year ending June 30, 2020. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2020	\$ 2,082,794
2021	120,718
2022	167,512
2023	199,503
	\$ 2,570,527

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.

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

16. DEFINED BENEFIT PENSION PLANS (continued)

B. Municipal Employees Retirement System of Michigan (continued)

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 actuarially determined employer contribution rate, as established by the MERS Retirement Board, is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with such additional amount as necessary to finance any unfunded accrued liability. Employer contributions of 7.49% of annual payroll for only the non-union division were required for the year ended June 30, 2019. This was determined as part of an actuarial valuation at December 31, 2015, using the entry age normal cost method.

Benefits Provided. Pension benefits are calculated as final average compensation (based on a 3-year period) and multipliers ranging from 2.0% 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 5.0%.

Employees Covered by Benefit Terms. At December 31, 2018, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	52
Inactive employees entitled to but not yet receiving benefits	54
Active employees	40
Total	<u>146</u>

Net Pension Asset. The City's net pension asset was measured as of December 31, 2018, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.75% in the long-term
Investment rate of return	7.75%, net of investment expense, including inflation

Although no specific price inflation assumptions are needed for the valuation, the long-term annual rate of price inflation implicit in the 3.75% base wage inflation is 2.5%.

The mortality table used to project the mortality experience of non-disabled plan members is a 50% male, 50% female blend of the RP-2014 Health Annuitant Mortality Tables, with rates multiplied by 105%, the RP-2041 Employee Mortality Tables and RP-2014 Juvenile Mortality Tables. The mortality table used to project the mortality experience of disabled plan members is 50% male, 50% female blend of the RP-2014 Disabled Retiree Mortality Tables.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of the most recent actuarial experience study of 2009 - 2013.

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

16. DEFINED BENEFIT PENSION PLANS (continued)

B. Municipal Employees Retirement System of Michigan (continued)

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	55.50%	4.80%	3.41%
Global fixed income	18.50%	0.70%	0.23%
Real assets	13.50%	1.31%	0.97%
Diversifying strategies	12.50%	0.94%	0.63%
	<u>100.00%</u>	<u>7.75%</u>	<u>5.25%</u>

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2018 was 8.0%. 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 the Financial Statements
Fiscal Year Ended June 30, 2019

16. DEFINED BENEFIT PENSION PLANS (continued)

B. Municipal Employees Retirement System of Michigan (continued)

Changes in the Net Pension (Asset). The components of the changes in net pension (asset) are summarized as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset)
	(a)	(b)	(a) - (b)
Balances at December 31, 2017	\$ 14,537,085	\$ 19,561,055	\$ (5,023,970)
Changes for the fiscal year:			
Service cost	235,814	-	235,814
Interest	1,136,153	-	1,136,153
Differences between expected and actual experience	(80,784)	-	(80,784)
Employer contributions	-	33,752	(33,752)
Employee contributions	-	107,886	(107,886)
Net investment loss	-	(749,695)	749,695
Benefit payments, including refunds of employee contributions	(906,156)	(906,156)	-
Administrative expense	-	(37,602)	37,602
Net changes	<u>385,027</u>	<u>(1,551,815)</u>	<u>1,936,842</u>
Balances at December 31, 2018	<u>\$ 14,922,112</u>	<u>\$ 18,009,240</u>	<u>\$ (3,087,128)</u>

Sensitivity of the Net Pension (Asset) to Changes in the Discount Rate. The following presents the net pension asset of the City, calculated using the discount rate of 8.0%, as well as what the City's net pension asset would be if it were calculated using a discount rate that is 1% lower (7.0%) and 1% higher (9.0%) than the current rate:

	1% Decrease (7.0%)	Current Rate (8.0%)	1% Increase (9.0%)
Net pension (asset)	\$ (1,545,554)	\$ (3,087,128)	\$ (4,390,918)

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

16. DEFINED BENEFIT PENSION PLANS (continued)

B. Municipal Employees Retirement System of Michigan (continued)

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions. For the fiscal year ended June 30, 2019, the City recognized negative pension expense of \$59,501. The City reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 117,595
Net difference between projected and actual earnings on pension plan investments	1,359,872	-
Contributions subsequent to the measurement date	15,277	-
Total	\$ 1,375,149	\$ 117,595

Contributions subsequent to the measurement date will be recognized as an adjustment to the net pension asset for the year ending June 30, 2020. Other amounts reported as deferred outflows/inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2020	\$ 365,259
2021	152,717
2022	267,802
2023	456,499
	\$ 1,242,277

Changes Between Measurement Date and Report Date. At the February 28, 2019 board meeting, the MERS Retirement Board adopted new economic assumptions effective with the December 31, 2019 annual actual valuation. Changes include a change in the investment return assumption from 7.75% to 7.35% and the wage inflation from 3.75% to 3.00%. Although the exact amount of these changes is not known, the overall change to the City's net pension asset is expected to be significant.

17. OTHER POSTEMPLOYMENT BENEFITS

The City provides retiree healthcare benefits for all eligible employees, their spouses and dependents who meet eligibility requirements. Depending on hire date, employees either participate in the Municipal Employees Retirement System (MERS) of Michigan's Retiree Health Funding Vehicle (defined benefit OPEB plan) or Health Care Savings Program (defined contribution OPEB plan). MERS pools assets of the participating employers for investment purposes but maintains separate accounts for each individual employer in the Retiree Health Funding Vehicle and each individual employee in the Health Care Savings Program. 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.

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

17. OTHER POSTEMPLOYMENT BENEFITS (continued)

A. MERS Retiree Health Funding Vehicle

Plan Description. The MERS Retiree Health Funding Vehicle (the Plan) became operational in the fall of 2004 and was made available to all municipalities in Michigan. Participating municipalities can contribute monies to the Trust as desired and no contribution method is imposed. These funds constitute a health care fund, which enables municipalities to accumulate monies to provide or subsidize health care benefits and beneficiaries as defined by IRS Code Section 213. The Plan accounts are invested in the MERS portfolio choices and earnings are tax exempt as a result of the MERS Private Letter Ruling. The benefits are provided through a single-employer defined benefit OPEB plan. All investments are held by MERS.

Contributions. 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 fiscal year ended June 30, 2019, the City made contributions to advance-fund the Plan totaling \$1,457,080.

Benefits Provided. Retirees and their dependents may elect coverage under the City's health program for current active employees. Certain retirees have grandfathered benefit plans. The City pays a range of percentages of medical, dental and optical coverage for retirees, and in certain instances, contributions toward spouse/dependent coverage. A portion of the cost of coverage, depending on the retiree's hire date, years of service, and union affiliation, as applicable. Retirees must be at least 50 when separating from active employment and receiving pension benefits to be eligible. Retirees may elect for additional coverage at their cost. Retirees electing to opt-out of the health care plan are eligible to a stipend for coverage under another plan. City public safety employees hired on or after July 1, 2012, and all other City employees hired on or after July 1, 2010, are not eligible to receive coverage under this Plan.

Employees Covered by Benefit Terms. At June 30, 2019, plan membership consisted of the following:

Retired participants	137
Active participants (includes current employees with waivers)	79
Total	216

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

17. OTHER POSTEMPLOYMENT BENEFITS (continued)

A. MERS Retiree Health Funding Vehicle (continued)

Net OPEB Liability. The City's net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	3.0%
Retirement age	Graded by age and service
Healthcare cost trend rates	8.0% for 2018, decreasing 0.5% per year to an ultimate rate of 5.0% for 2024 and later years

Mortality rates of participants were based on RP-2014 base rates projected to 2018 with mortality improvements based on MP-2014. No provision for future mortality improvements beyond the valuation date were included.

The actuarial assumptions used in the June 30, 2019 valuation were based on industry studies of municipal employers' retirement plans and studies published by the Society of Actuaries.

The long-term expected rate of return on the OPEB plan investments was determined using a forward-looking estimate of capital market returns model for each investment 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 and investment expenses. The target allocation and best estimates of arithmetic real rates of return for each asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	55.50%	8.65%
Global fixed income	18.50%	3.76%
Private assets	26.00%	8.65%
	<u>100.00%</u>	

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

17. OTHER POSTEMPLOYMENT BENEFITS (continued)

A. MERS Retiree Health Funding Vehicle (continued)

Discount Rate. The discount rate used to measure the total OPEB liability as of June 30, 2019 was 7.0%. The projection of cash flows used to determine the discount rate assumes City contributions will be made at the rates agreed upon for employees and the actuarially determined rates. Based on these assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability. The components of the changes in net OPEB liability are summarized as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2018	\$ 24,994,903	\$ 7,058,901	\$ 17,936,002
Changes for the fiscal year:			
Service cost, including administrative expenses	367,312	-	367,312
Interest	1,699,532	-	1,699,532
Differences between expected and actual experience	225,529	-	225,529
Assumption changes	-	-	-
Employer contributions	-	1,457,080	(1,457,080)
Net investment income	-	218,970	(218,970)
Benefit payments	(1,431,762)	(1,431,762)	-
Net changes	<u>860,611</u>	<u>244,288</u>	<u>616,323</u>
Balances at June 30, 2019	<u>\$ 25,855,514</u>	<u>\$ 7,303,189</u>	<u>\$ 18,552,325</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rates. The following presents the net OPEB liability of the City, calculated using the discount rate of 7.0%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (6.0%) and 1% higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Rate (7.0%)	1% Increase (8.0%)
Net OPEB liability	\$ 22,058,023	\$ 18,552,325	\$ 15,678,785

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

17. OTHER POSTEMPLOYMENT BENEFITS (continued)

A. MERS Retiree Health Funding Vehicle (continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (7.0% decreasing to 4.0%) and 1% higher (9.0% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease (7% decreasing to 4%)	Current Cost Trend Rate (8% decreasing to 5%)	1% Increase (9% decreasing to 6%)
Net OPEB liability	\$ 15,682,937	\$ 18,552,325	\$ 22,062,250

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB. For the fiscal year ended June 30, 2019, the City recognized OPEB expense of \$2,399,276. The City reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 161,848	\$ 810,650
Change in assumptions	1,971,143	-
Net difference between projected and actual earnings on plan investments	237,758	-
Total	<u>\$ 2,370,749</u>	<u>\$ 810,650</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Amount
2020	\$ 827,441
2021	582,114
2022	95,336
2023	55,208
	<u>\$ 1,560,099</u>

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

17. OTHER POSTEMPLOYMENT BENEFITS (continued)

B. MERS Health Care Savings Program

Plan Description. The City's defined contribution OPEB plan (MERS Health Care Savings Program) provides certain health care benefits to plan members and legal dependents upon termination of employment. The MERS Health Care Savings Program became operational in June 2004 and was made available to all municipalities in Michigan. The employer-sponsored program provides medical reimbursement accounts to participants. Medical expenses are reimbursed, as defined in IRS Code Section 213, once participants terminate employment, are on medical leave for six months or longer, or are on disability from any public pension plan. There are four types of contributions that may be used in the program: 1) Basic Employer (tax-favored); 2) Mandatory Salary Reductions (tax-favored); 3) Mandatory Leave Conversions (tax-favored); and 4) Voluntary Employee Contributions (post-tax).

Contributions. City public safety employees hired on or after July 1, 2012, and all other City employees hired on or after July 1, 2010, are provided a health care savings account and the City will contribute \$150 per month to each fund. There are no contribution requirements for employees. For the fiscal year ended June 30, 2019, the City contributed \$75,900 to employee health care savings accounts.

Benefit Terms. Employees are vested in the employer contributions and earnings on those contributions after 3 years of service and become fully vested after completion 10 years of creditable service with the City.

Forfeiture Amounts. Nonvested employer contributions are forfeited upon termination of employment. Such forfeitures are used to cover future employer contributions, be directed to the City's Retiree Health Funding Vehicle, or be equally distributed among all remaining active participants in the Plan.

18. 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.

19. TAX ABATEMENTS

Tax abatements through industrial and commercial facilities tax exemption agreements provided in accordance with state statutes are generally made by discrete component units of the City, as opposed to by the primary government. Properties qualifying for these tax exemptions, as approved by the applicable governing body, are taxed at 50% of the millage rate applicable to the specified property. The amount of such abatements are not significant and have no impact on the current tax revenues of the primary government.

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2019

20. LAND HELD FOR RESALE

The City has been engaged in a multiyear contaminated property redevelopment project referred to as the Water Street Redevelopment Project. As a part of this project, involving funding from bond issues, federal grants and loans, and City resources, the City acquired various parcels of land in the Water Street area and undertook a process of preparing and marketing the property for resale. The property is reported by the City as land held for resale and recorded at acquisition cost and valued at the lower of cost or market (since it is not held as an investment or for investment purposes).

The City also owns approximately four acres of property located at 220 N. Park. The City acquired the property from tax reversion. The City issued a request for proposals to sell the property for development.

**Required
Supplementary
Information**



CITY OF
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Home of Eastern Michigan University

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CITY OF YPSILANTI, MICHIGAN
 Required Supplementary Information
 Schedule of Changes in Net Pension Asset and Related Ratios
 Municipal Employees Retirement System of Michigan
 Last Five Measurement Periods (1) (2)

	Calendar Year Ended December 31,				
	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 235,814	\$ 260,883	\$ 270,060	\$ 297,939	\$ 261,667
Interest	1,136,153	1,114,331	1,130,555	1,026,796	1,018,946
Difference between expected and actual experience	(80,784)	(231,608)	(769,105)	27,391	-
Changes of assumptions	-	-	-	758,423	-
Benefit payments, including employee refunds	(906,156)	(810,433)	(849,021)	(814,387)	(814,923)
Other	-	-	-	32,088	-
Net change in total pension liability	385,027	333,173	(217,511)	1,328,250	465,690
Total pension liability - beginning	14,537,085	14,203,912	14,421,423	13,093,173	12,627,483
Total pension liability - ending (a)	14,922,112	14,537,085	14,203,912	14,421,423	13,093,173
Plan net position					
Contributions - employer	33,752	38,443	37,997	16,098	-
Contributions - member	107,886	112,810	120,245	118,023	109,007
Net investment income	(749,695)	2,348,356	1,886,365	(260,995)	1,089,980
Benefit payments, including employee refunds	(906,156)	(810,433)	(849,021)	(814,387)	(814,923)
Administrative expense	(37,602)	(37,212)	(37,254)	(38,466)	(39,926)
Net change in plan net position	(1,551,815)	1,651,964	1,158,332	(979,727)	344,138
Plan net position - beginning	19,561,055	17,909,091	16,750,759	17,730,486	17,386,348
Plan net position - ending (b)	18,009,240	19,561,055	17,909,091	16,750,759	17,730,486
Net pension asset - ending (a) - (b)	\$ (3,087,128)	\$ (5,023,970)	\$ (3,705,179)	\$ (2,329,336)	\$ (4,637,313)
Ratio of plan net position to total pension liability	120.7%	134.6%	126.1%	116.2%	135.4%
Covered payroll	\$ 2,031,338	\$ 2,202,714	\$ 2,263,584	\$ 2,440,537	\$ 2,116,057
Net pension asset as a percentage of covered payroll	-151.98%	-228.08%	-163.69%	-95.44%	-219.15%

(1) Information prior to 2014 was not available. The City will continue to present information for years available until a full ten-year trend is available.

(2) The measurement year is from January 1 through December 31.

CITY OF YPSILANTI, MICHIGAN
 Required Supplementary Information
 Schedule of City's Contributions
 Municipal Employees Retirement System of Michigan
 Last Five Fiscal Years (1)

	Fiscal Year Ended June 30,				
	2019	2018	2017	2016	2015
Actuarially determined employer contributions	\$ 31,043	\$ 31,699	\$ 41,680	\$ 48,530	\$ -
Actual employer contributions	<u>(31,043)</u>	<u>(31,699)</u>	<u>(41,680)</u>	<u>(48,530)</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 2,337,851	\$ 2,463,975	\$ 2,336,356	\$ 2,350,653	\$ 2,116,057
Actual contributions as a percentage of covered payroll	1.33%	1.29%	1.78%	2.06%	0.00%

(1) Information prior to 2015 was not available. The City will continue to present information for years available until a full ten-year trend is available.

Notes to Schedule

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	21 years
Asset valuation method	5-year smoothing
Inflation	2.50%
Salary increases	3.75%
Investment rate of return	7.75%
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, 2011 actuarial valuations.

Mortality	RP-2014 Group Annuitant 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.
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Previous Actuarial Methods and Assumptions

During the fiscal year ended June 30, 2015, the Plan experienced a change in actuarial assumptions, updating the mortality tables used from 1994 Group Annuity Mortality Table to the RP-2014 Health Mortality Table and a reduction in the salary increases from 4.5% to 3.75%.

CITY OF YPSILANTI, MICHIGAN
 Required Supplementary Information
 Schedule of Changes in Net Pension Liability and Related Ratios
 Police and Fire Retirement System
 Last Six Measurement Periods (1)

	Fiscal Year Ended June 30,					
	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 427,454	\$ 410,415	\$ 483,184	\$ 624,175	\$ 767,076	\$ 417,399
Interest	3,401,642	3,329,509	3,334,772	3,377,822	3,248,978	3,244,001
Benefit changes	-	-	-	-	-	88,956
Difference between expected and actual experience	(46,777)	989,272	297,192	-	481,589	(212,827)
Changes of assumptions	3,049,619	-	-	-	1,407,285	(203,836)
Benefit payments, including employee refunds	(3,840,067)	(3,711,871)	(4,585,964)	(4,425,057)	(3,806,050)	(3,078,288)
Net change in total pension liability	2,991,871	1,017,325	(470,816)	(423,060)	2,098,878	255,405
Total pension liability - beginning	47,061,520	46,044,195	46,515,011	46,938,071	44,839,193	44,583,788
Total pension liability - ending (a)	50,053,391	47,061,520	46,044,195	46,515,011	46,938,071	44,839,193
Plan net position						
Contributions - employer	1,517,865	1,466,261	1,355,989	1,240,657	1,395,423	1,358,167
Contributions - member	200,724	171,520	208,502	234,471	274,671	275,422
Net investment income	923,634	2,087,588	2,619,925	(253,617)	1,002,019	4,982,234
Benefit payments, including employee refunds	(3,840,067)	(3,711,871)	(4,585,964)	(4,425,057)	(3,806,050)	(3,078,288)
Administrative expense	(68,881)	(70,982)	(72,546)	(67,345)	(59,069)	(60,012)
Net change in plan net position	(1,266,725)	(57,484)	(474,094)	(3,270,891)	(1,193,006)	3,477,523
Plan net position - beginning	26,601,762	26,659,246	27,133,340	30,404,231	31,597,237	28,119,714
Plan net position - ending (b)	25,335,037	26,601,762	26,659,246	27,133,340	30,404,231	31,597,237
Net pension liability - ending (a) - (b)	\$ 24,718,354	\$ 20,459,758	\$ 19,384,949	\$ 19,381,671	\$ 16,533,840	\$ 13,241,956
Ratio of plan net position to total pension liability	50.62%	56.53%	57.90%	58.33%	64.78%	70.47%
Covered payroll	\$ 2,794,588	\$ 2,844,954	\$ 3,174,402	\$ 3,170,835	\$ 3,298,809	\$ 3,440,059
Net pension liability as a percentage of covered payroll	884.51%	719.16%	610.66%	611.25%	501.21%	384.93%

(1) Information prior to 2014 was not available. The City will continue to present information for years available until a full ten-year trend is available.

CITY OF YPSILANTI, MICHIGAN
 Required Supplementary Information
 Schedule of City's Contributions
 Police and Fire Retirement System
 Last Six Fiscal Years (1)

	Fiscal Year Ended June 30,					
	2019	2018	2017	2016	2015	2014
Actuarially determined employer contributions	\$ 1,517,865	\$ 1,466,261	\$ 1,355,989	\$ 1,240,657	\$ 1,395,423	\$ 1,347,529
Actual employer contributions	<u>(1,517,865)</u>	<u>(1,466,261)</u>	<u>(1,355,989)</u>	<u>(1,240,657)</u>	<u>(1,395,423)</u>	<u>(1,358,167)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,638)</u>
City covered payroll	\$ 2,794,588	\$ 2,844,954	\$ 3,174,402	\$ 3,170,835	\$ 3,298,809	\$ 3,440,059
Actual contributions as a percentage of covered payroll	54.31%	51.54%	42.72%	39.13%	42.30%	39.17%

(1) Information prior to 2014 was not available. The City will continue to present information for years available until a full ten-year trend is available.

Notes to Schedule

Valuation date	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
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	27 years for 2017 valuation
Asset valuation method	5-year smoothing
Inflation	No explicit price inflation assumption used
Salary increases	4.0%-9.0%, including inflation
Investment rate of return	7.5%, net of pension plan investment expense, including inflation
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2010 valuation.
Mortality	RP-2014 Health Annuitant Mortality Table for males and females projected six years to 2020, with MP-2014. The provision for future mortality improvement is the projection to 2020.

Previous Actuarial Methods and Assumptions

During the fiscal year ended June 30, 2014, the Plan implemented GASB Statement No. 67, resulting in a change in assumptions from those used previously under GASB Statement No. 25.

During the fiscal year ended June 30, 2015, the Plan experienced a change in actuarial assumptions, updating the mortality tables used from RP-2000 Mortality Table to the RP-2014 Mortality Table.

During the fiscal year ended June 30, 2019, the Plan experienced a change in actuarial assumptions that included a reduction in the discount rate assumption from 7.5% to 7.0% and a reduction in the salary increases assumption from 4.0% to 3.0%.

CITY OF YPSILANTI, MICHIGAN
 Required Supplementary Information
 Schedule of Investment Returns
 Police and Fire Retirement System
 Last Seven Fiscal Years (1)

Fiscal Year End	Annual Money- Weighted Rate of Return, net
6/30/2019	3.92%
6/30/2018	8.35%
6/30/2017	10.34%
6/30/2016	-0.27%
6/30/2015	3.70%
6/30/2014	19.22%
6/30/2013	13.99%

(1) Information prior to 2013 was not available. The City will continue to present information for years available until a full ten-year trend is available.

CITY OF YPSILANTI, MICHIGAN
Required Supplementary Information
Schedule of Changes in Net OPEB Liability and Related Ratios
Other Postemployment Health Care Benefits
Last Three Measurement Periods (1)

	Fiscal Year Ended June 30,		
	2019	2018	2017
Total OPEB liability			
Service cost	\$ 367,312	\$ 331,725	\$ 272,161
Interest	1,699,532	1,389,225	1,344,933
Difference between expected and actual experience	225,529	(1,792,674)	388,347
Changes of assumptions	-	4,358,987	3,631,280
Benefit payments, including employee refunds	(1,431,762)	(1,330,100)	(1,063,766)
Net change in total OPEB liability	860,611	2,957,163	4,572,955
Total OPEB liability - beginning	24,994,903	22,037,740	17,464,785
Total OPEB liability - ending (a)	25,855,514	24,994,903	22,037,740
Plan net position			
Contributions - employer	1,457,080	1,579,641	1,392,235
Net investment income	218,970	396,722	398,295
Benefit payments, including employee refunds	(1,431,762)	(1,330,100)	(1,063,766)
Net change in plan net position	244,288	646,263	726,764
Plan net position - beginning	7,058,901	6,412,638	5,685,874
Plan net position - ending (b)	7,303,189	7,058,901	6,412,638
Net OPEB liability - ending (a) - (b)	\$ 18,552,325	\$ 17,936,002	\$ 15,625,102
Ratio of plan net position to total OPEB liability	28.25%	28.24%	29.10%
Covered payroll	\$ 4,493,655	\$ 4,341,696	\$ 4,499,309
Net OPEB liability as a percentage of covered payroll	412.86%	413.11%	347.28%

(1) Information prior to 2017 was not available. The City will continue to present information for years available until a full ten-year trend is available.

CITY OF YPSILANTI, MICHIGAN
 Required Supplementary Information
 Schedule of City's OPEB Contributions
 Other Postemployment Health Care Benefits
 Last Three Fiscal Years (1)

	Fiscal Year Ended June 30,		
	2019	2018	2017
Actuarially determined employer contributions	\$ 1,457,080	\$ 1,579,641	\$ 1,434,981
Actual employer contributions	<u>(1,457,080)</u>	<u>(1,579,641)</u>	<u>(1,392,235)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,746</u>
City covered payroll	\$ 4,493,655	\$ 4,341,696	\$ 4,499,309
Actual contributions as a percentage of covered payroll	32.43%	36.38%	31.89%

(1) Information prior to 2017 was not available. The City will continue to present information for years available until a full ten-year trend is available.

Notes to Schedule

Actuarial cost method	Entry age normal
Asset valuation method	Market value
Investment rate of return	7.00%
Projected salary increases	3.00%
Retirement age	Graded by age and services
Mortality	RP-2014 base rates projected to 2018 with Scale MP-2017

Previous Actuarial Methods and Assumptions

During the fiscal year ended June 30, 2017, the Plan implemented GASB Statement No. 74, resulting in a change in assumptions from those previously used under GASB Statement No. 45.

During the fiscal year ended June 30, 2018, the discount rate was increased from 6.5% to 7.0% and the mortality assumptions were updated to RP-2014 base rates projected to 2018 using improvement scale MP-2017.

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Supplemental Section

Combining and Other Financial Information



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CITY OF YPSILANTI, MICHIGAN
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<i>Assets</i>				
Cash and cash equivalents	\$ 1,377,343	\$ 12,853	\$ 1,097,498	\$ 2,487,694
Receivables	9,142	-	-	9,142
Land held for resale	-	-	1,150,450	1,150,450
Due from other governments	212,734	-	-	212,734
Total assets	<u>\$ 1,599,219</u>	<u>\$ 12,853</u>	<u>\$ 2,247,948</u>	<u>\$ 3,860,020</u>
<i>Liabilities</i>				
Accounts payable	\$ 111,664	\$ -	\$ 9,689	\$ 121,353
Accrued liabilities	5,426	-	27	5,453
Due to other funds	125,049	-	-	125,049
Tax refunds payable	14,605	4,351	-	18,956
Total liabilities	<u>256,744</u>	<u>4,351</u>	<u>9,716</u>	<u>270,811</u>
<i>Fund Balances</i>				
Restricted	1,342,475	8,502	1,975,156	3,326,133
Committed	-	-	263,076	263,076
Total fund balances	<u>1,342,475</u>	<u>8,502</u>	<u>2,238,232</u>	<u>3,589,209</u>
Total liabilities and fund balances	<u>\$ 1,599,219</u>	<u>\$ 12,853</u>	<u>\$ 2,247,948</u>	<u>\$ 3,860,020</u>

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CITY OF YPSILANTI, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Fiscal Year Ended June 30, 2019

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<i>Revenues</i>				
Taxes and special assessments	\$ 1,125,273	\$ 1,310,359	\$ -	\$ 2,435,632
Licenses and permits	5,110	-	58,724	63,834
Intergovernmental	831,724	32,625	1,933,943	2,798,292
Investment earnings	21,326	3,084	22,017	46,427
Other	58,870	-	-	58,870
Total revenues	<u>2,042,303</u>	<u>1,346,068</u>	<u>2,014,684</u>	<u>5,403,055</u>
<i>Expenditures</i>				
Current:				
Public safety	8,182	-	-	8,182
Public works	-	-	76,247	76,247
Refuse collection	954,998	-	-	954,998
Highways, streets and bridges	366,459	-	-	366,459
Public transportation	287,313	-	-	287,313
Tax tribunal refunds	8,040	789	-	8,829
Debt Service:				
Principal retirement	-	1,425,000	1,400,000	2,825,000
Interest and fiscal charges	-	298,582	483,943	782,525
Total expenditures	<u>1,624,992</u>	<u>1,724,371</u>	<u>1,960,190</u>	<u>5,309,553</u>
Excess (deficiency) of revenues over (under) expenditures	<u>417,311</u>	<u>(378,303)</u>	<u>54,494</u>	<u>93,502</u>
<i>Other Financing Sources (Uses)</i>				
Transfers in	254,786	190,194	-	444,980
Transfers out	<u>(375,000)</u>	-	-	<u>(375,000)</u>
Total other financing sources (uses)	<u>(120,214)</u>	<u>190,194</u>	<u>-</u>	<u>69,980</u>
Net change in fund balances	297,097	(188,109)	54,494	163,482
Fund balance-beginning of year	<u>1,045,378</u>	<u>196,611</u>	<u>2,183,738</u>	<u>3,425,727</u>
Fund balance-end of year	<u>\$ 1,342,475</u>	<u>\$ 8,502</u>	<u>\$ 2,238,232</u>	<u>\$ 3,589,209</u>

CITY OF YPSILANTI, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019

	Local Streets	Public Safety	Garbage and Rubbish Collection	Police	Public Transportation	Total Nonmajor Special Revenue Funds
<i>Assets</i>						
Cash and cash equivalents	\$ 1,188,290	\$ -	\$ 114,222	\$ 67,595	\$ 7,236	\$ 1,377,343
Receivables	2,930	6,212	-	-	-	9,142
Due from other governments	76,428	136,306	-	-	-	212,734
Total assets	<u>\$ 1,267,648</u>	<u>\$ 142,518</u>	<u>\$ 114,222</u>	<u>\$ 67,595</u>	<u>\$ 7,236</u>	<u>\$ 1,599,219</u>
<i>Liabilities</i>						
Accounts payable	\$ 28,982	\$ -	\$ 82,682	\$ -	\$ -	\$ 111,664
Accrued liabilities	1,613	-	3,813	-	-	5,426
Due to other funds	-	125,049	-	-	-	125,049
Tax refunds payable	-	-	10,803	-	3,802	14,605
Total liabilities	<u>30,595</u>	<u>125,049</u>	<u>97,298</u>	<u>-</u>	<u>3,802</u>	<u>256,744</u>
<i>Fund Balances</i>						
Restricted	<u>1,237,053</u>	<u>17,469</u>	<u>16,924</u>	<u>67,595</u>	<u>3,434</u>	<u>1,342,475</u>
Total liabilities and fund balances	<u>\$ 1,267,648</u>	<u>\$ 142,518</u>	<u>\$ 114,222</u>	<u>\$ 67,595</u>	<u>\$ 7,236</u>	<u>\$ 1,599,219</u>

CITY OF YPSILANTI, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Fiscal Year Ended June 30, 2019

	Local Streets	Public Safety	Garbage and Rubbish Collection	Police	Public Transportation	Total Nonmajor Special Revenue Funds
<i>Revenues</i>						
Taxes and special assessments	\$ -	\$ -	\$ 832,894	\$ -	\$ 292,379	\$ 1,125,273
Licenses and permits	5,110	-	-	-	-	5,110
Intergovernmental	439,255	392,469	-	-	-	831,724
Investment earnings	15,780	-	4,121	1,074	351	21,326
Other	32,440	-	24,358	2,072	-	58,870
Total revenues	<u>492,585</u>	<u>392,469</u>	<u>861,373</u>	<u>3,146</u>	<u>292,730</u>	<u>2,042,303</u>
<i>Expenditures</i>						
Current:						
Public safety	-	-	-	8,182	-	8,182
Refuse collection	-	-	954,998	-	-	954,998
Highways, streets and bridges	366,459	-	-	-	-	366,459
Public transportation	-	-	-	-	287,313	287,313
Tax tribunal refunds	-	-	5,544	-	2,496	8,040
Total expenditures	<u>366,459</u>	<u>-</u>	<u>960,542</u>	<u>8,182</u>	<u>289,809</u>	<u>1,624,992</u>
Excess (deficiency) of revenues over (under) expenditures	<u>126,126</u>	<u>392,469</u>	<u>(99,169)</u>	<u>(5,036)</u>	<u>2,921</u>	<u>417,311</u>
<i>Other Financing Sources (Uses)</i>						
Transfers in	140,024	-	114,762	-	-	254,786
Transfers out	-	(375,000)	-	-	-	(375,000)
Total other financing sources (uses)	<u>140,024</u>	<u>(375,000)</u>	<u>114,762</u>	<u>-</u>	<u>-</u>	<u>(120,214)</u>
Net change in fund balances	266,150	17,469	15,593	(5,036)	2,921	297,097
Fund balance-beginning of year	<u>970,903</u>	<u>-</u>	<u>1,331</u>	<u>72,631</u>	<u>513</u>	<u>1,045,378</u>
Fund balance-end of year	<u>\$ 1,237,053</u>	<u>\$ 17,469</u>	<u>\$ 16,924</u>	<u>\$ 67,595</u>	<u>\$ 3,434</u>	<u>\$ 1,342,475</u>

CITY OF YPSILANTI, MICHIGAN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Local Streets Fund
Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
<i>Revenues</i>				
Licenses and permits	\$ 4,200	\$ 4,200	\$ 5,110	\$ 910
Intergovernmental	418,022	418,022	439,255	21,233
Investment earnings	5,040	5,040	15,780	10,740
Other	8,000	8,000	32,440	24,440
Total revenues	<u>435,262</u>	<u>435,262</u>	<u>492,585</u>	<u>57,323</u>
<i>Expenditures</i>				
Current:				
Highways, streets and bridges:				
Street construction	63,586	63,586	46,110	17,476
Routine maintenance	358,421	358,421	183,498	174,923
Traffic services	39,824	39,824	32,924	6,900
Winter maintenance	73,788	73,788	75,149	(1,361)
Administration	39,667	39,667	28,778	10,889
Total expenditures	<u>575,286</u>	<u>575,286</u>	<u>366,459</u>	<u>208,827</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(140,024)</u>	<u>(140,024)</u>	<u>126,126</u>	<u>266,150</u>
<i>Other Financing Sources</i>				
Transfers in	<u>140,024</u>	<u>140,024</u>	<u>140,024</u>	<u>-</u>
Net change in fund balances	-	-	266,150	<u>\$ 266,150</u>
Fund balance-beginning of year	<u>970,903</u>	<u>970,903</u>	<u>970,903</u>	
Fund balance-end of year	<u>\$ 970,903</u>	<u>\$ 970,903</u>	<u>\$ 1,237,053</u>	

CITY OF YPSILANTI, MICHIGAN
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Public Safety Fund
 Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
<i>Revenues</i>				
Intergovernmental	\$ 375,000	\$ 375,000	\$ 392,469	\$ 17,469
<i>Other Financing Uses</i>				
Transfers out	(375,000)	(375,000)	(375,000)	-
Net change in fund balances	-	-	17,469	\$ 17,469
Fund balance-beginning of year	-	-	-	
Fund balance-end of year	\$ -	\$ -	\$ 17,469	

CITY OF YPSILANTI, MICHIGAN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Garbage and Rubbish Collection Fund
Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
<i>Revenues</i>				
Taxes and special assessments	\$ 832,606	\$ 832,606	\$ 832,894	\$ 288
Investment earnings	3,780	3,780	4,121	341
Other	24,875	24,875	24,358	(517)
Total revenues	<u>861,261</u>	<u>861,261</u>	<u>861,373</u>	<u>112</u>
<i>Expenditures</i>				
Current:				
Refuse collection	949,023	975,023	954,998	20,025
Tax tribunal refunds	1,000	1,000	5,544	(4,544)
Total expenditures	<u>950,023</u>	<u>976,023</u>	<u>960,542</u>	<u>15,481</u>
Deficiency of revenues under expenditures	<u>(88,762)</u>	<u>(114,762)</u>	<u>(99,169)</u>	<u>15,593</u>
<i>Other Financing Sources</i>				
Transfers in	<u>88,762</u>	<u>114,762</u>	<u>114,762</u>	<u>-</u>
Net change in fund balances	-	-	15,593	<u>\$ 15,593</u>
Fund balance-beginning of year	<u>1,331</u>	<u>1,331</u>	<u>1,331</u>	
Fund balance-end of year	<u>\$ 1,331</u>	<u>\$ 1,331</u>	<u>\$ 16,924</u>	

CITY OF YPSILANTI, MICHIGAN
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Police Fund
 Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
<i>Revenues</i>				
Investment earnings	\$ 468	\$ 468	\$ 1,074	\$ 606
Other	-	-	2,072	2,072
Total revenues	<u>468</u>	<u>468</u>	<u>3,146</u>	<u>2,678</u>
<i>Expenditures</i>				
Current:				
Public safety	<u>13,044</u>	<u>13,044</u>	<u>8,182</u>	<u>4,862</u>
Net change in fund balances	(12,576)	(12,576)	(5,036)	<u>\$ 7,540</u>
Fund balance-beginning of year	<u>72,631</u>	<u>72,631</u>	<u>72,631</u>	
Fund balance-end of year	<u>\$ 60,055</u>	<u>\$ 60,055</u>	<u>\$ 67,595</u>	

CITY OF YPSILANTI, MICHIGAN
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Public Transportation Fund
 Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
<i>Revenues</i>				
Taxes and special assessments	\$ 292,461	\$ 292,461	\$ 292,379	\$ (82)
Investment earnings	361	361	351	(10)
Total revenues	<u>292,822</u>	<u>292,822</u>	<u>292,730</u>	<u>(92)</u>
<i>Expenditures</i>				
Current:				
Public transportation	291,922	291,922	287,313	4,609
Tax tribunal refunds	900	900	2,496	(1,596)
Total expenditures	<u>292,822</u>	<u>292,822</u>	<u>289,809</u>	<u>3,013</u>
Net change in fund balances	-	-	2,921	<u>\$ 2,921</u>
Fund balance-beginning of year	513	513	513	
Fund balance-end of year	<u>\$ 513</u>	<u>\$ 513</u>	<u>\$ 3,434</u>	

CITY OF YPSILANTI, MICHIGAN
 Combining Balance Sheet
 Nonmajor Debt Service Funds
 June 30, 2019

	2002-B Revenue Bonds	2016 Refunding Bonds Debt Service	2012 Refunding Bonds Debt Service	Total Nonmajor Debt Service Funds
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ -	\$ 12,853	\$ 12,853
<i>Liabilities</i>				
Tax refunds payable	\$ -	\$ -	\$ 4,351	\$ 4,351
<i>Fund Balances</i>				
Restricted	-	-	8,502	8,502
Total liabilities and fund balances	\$ -	\$ -	\$ 12,853	\$ 12,853

CITY OF YPSILANTI, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
Fiscal Year Ended June 30, 2019

	2002-B Revenue Bonds	2016 Refunding Bonds Debt Service	2012 Refunding Bonds Debt Service	Total Nonmajor Debt Service Funds
<i>Revenues</i>				
Taxes and special assessments	\$ -	\$ 674,560	\$ 635,799	\$ 1,310,359
Intergovernmental	32,625	-	-	32,625
Investment earnings	-	-	3,084	3,084
Total revenues	<u>32,625</u>	<u>674,560</u>	<u>638,883</u>	<u>1,346,068</u>
<i>Expenditures</i>				
Current:				
Tax tribunal refunds	-	118	671	789
Debt Service:				
Principal retirement	30,000	575,000	820,000	1,425,000
Interest and fiscal charges	2,625	289,636	6,321	298,582
Total expenditures	<u>32,625</u>	<u>864,754</u>	<u>826,992</u>	<u>1,724,371</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>(190,194)</u>	<u>(188,109)</u>	<u>(378,303)</u>
<i>Other Financing Sources</i>				
Transfers in	-	190,194	-	190,194
Net change in fund balances	-	-	(188,109)	(188,109)
Fund balance-beginning of year	<u>-</u>	<u>-</u>	<u>196,611</u>	<u>196,611</u>
Fund balance-end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,502</u>	<u>\$ 8,502</u>

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CITY OF YPSILANTI, MICHIGAN
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2019

	<u>Sidewalk Improvement</u>	<u>2003-D Water and Sewer</u>	<u>2004-B Water and Sewer</u>	<u>2003-C Water and Sewer</u>	<u>2006 General Obligation</u>
<i>Assets</i>					
Cash and cash equivalents	\$ 272,107	\$ -	\$ -	\$ -	\$ -
Land held for resale	-	-	-	-	1,150,450
Total assets	<u>\$ 272,107</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,150,450</u>
<i>Liabilities</i>					
Accounts payable	\$ 9,004	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	<u>27</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>9,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balances</i>					
Restricted	-	-	-	-	1,150,450
Committed	<u>263,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>263,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,150,450</u>
Total liabilities and fund balances	<u>\$ 272,107</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,150,450</u>

2007 Water and Sewer DWRf	2008 Water and Sewer DWRf	2009 Water and Sewer DWRf	Factory Street Pump Station	Water Main Bond DWRf	2016 Water and Sewer Refunding	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ 824,706	\$ -	\$ 685	\$ 1,097,498
-	-	-	-	-	-	1,150,450
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 824,706</u>	<u>\$ -</u>	<u>\$ 685</u>	<u>\$ 2,247,948</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 685	\$ 9,689
-	-	-	-	-	-	27
-	-	-	-	-	685	9,716
-	-	-	824,706	-	-	1,975,156
-	-	-	-	-	-	263,076
-	-	-	824,706	-	-	2,238,232
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 824,706</u>	<u>\$ -</u>	<u>\$ 685</u>	<u>\$ 2,247,948</u>

CITY OF YPSILANTI, MICHIGAN
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Capital Projects Funds
 Fiscal Year Ended June 30, 2019

	Sidewalk Improvement	2003-D Water and Sewer	2004-B Water and Sewer	2003-C Water and Sewer	2006 General Obligation
<i>Revenues</i>					
Licenses and permits	\$ 58,724	\$ -	\$ -	\$ -	\$ -
Intergovernmental	50,000	338,188	390,150	51,438	-
Investment earnings	3,517	-	-	-	18,500
Total revenues	<u>112,241</u>	<u>338,188</u>	<u>390,150</u>	<u>51,438</u>	<u>18,500</u>
<i>Expenditures</i>					
Current:					
Public works	76,247	-	-	-	-
Debt Service:					
Principal retirement	-	295,000	340,000	45,000	-
Interest and fiscal charges	-	43,188	50,150	6,438	-
Total expenditures	<u>76,247</u>	<u>338,188</u>	<u>390,150</u>	<u>51,438</u>	<u>-</u>
Net change in fund balances	35,994	-	-	-	18,500
Fund balance-beginning of year	<u>227,082</u>	-	-	-	<u>1,131,950</u>
Fund balance-end of year	<u>\$ 263,076</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,150,450</u>

2007 Water and Sewer DWRF	2008 Water and Sewer DWRF	2009 Water and Sewer DWRF	Factory Street Pump Station	Water Main Bond DWRF	2016 Water and Sewer Refunding	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,724
18,319	26,231	7,413	184,188	28,116	839,900	1,933,943
-	-	-	-	-	-	22,017
<u>18,319</u>	<u>26,231</u>	<u>7,413</u>	<u>184,188</u>	<u>28,116</u>	<u>839,900</u>	<u>2,014,684</u>
-	-	-	-	-	-	76,247
15,000	20,000	5,000	125,000	20,000	535,000	1,400,000
<u>3,319</u>	<u>6,231</u>	<u>2,413</u>	<u>59,188</u>	<u>8,116</u>	<u>304,900</u>	<u>483,943</u>
<u>18,319</u>	<u>26,231</u>	<u>7,413</u>	<u>184,188</u>	<u>28,116</u>	<u>839,900</u>	<u>1,960,190</u>
-	-	-	-	-	-	54,494
-	-	-	<u>824,706</u>	-	-	<u>2,183,738</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 824,706</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,238,232</u>

CITY OF YPSILANTI, MICHIGAN
Combining Statement of Net Position
Internal Service Funds
June 30, 2019

	Motor Pool	Workers' Compensation	Retiree Health Care	Total Internal Service Funds
<i>Assets</i>				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 1,638,456	\$ 597,460	\$ 1,920,760	\$ 4,156,676
Receivables	4,031	-	6,703	10,734
Inventory	13,361	-	-	13,361
Prepaid items	-	-	85,289	85,289
Total current assets	<u>1,655,848</u>	<u>597,460</u>	<u>2,012,752</u>	<u>4,266,060</u>
Noncurrent assets:				
Depreciable capital assets, net	<u>1,275,160</u>	-	-	<u>1,275,160</u>
Total assets	<u>2,931,008</u>	<u>597,460</u>	<u>2,012,752</u>	<u>5,541,220</u>
<i>Liabilities</i>				
Current liabilities:				
Accounts payable	9,637	-	1,788	11,425
Accrued liabilities	3,881	-	-	3,881
Capital leases payable - current	23,260	-	-	23,260
Total current liabilities	<u>36,778</u>	-	<u>1,788</u>	<u>38,566</u>
Noncurrent liabilities:				
Capital leases payable - noncurrent	<u>23,943</u>	-	-	<u>23,943</u>
Total liabilities	<u>60,721</u>	-	<u>1,788</u>	<u>62,509</u>
<i>Net Position</i>				
Net investment in capital assets	1,227,957	-	-	1,227,957
Unrestricted	<u>1,642,330</u>	<u>597,460</u>	<u>2,010,964</u>	<u>4,250,754</u>
Total net position	<u>\$ 2,870,287</u>	<u>\$ 597,460</u>	<u>\$ 2,010,964</u>	<u>\$ 5,478,711</u>

CITY OF YPSILANTI, MICHIGAN
Combining Statement of Revenues, Expenses and Change in Net Position
Internal Service Funds
Fiscal Year Ended June 30, 2019

	Motor Pool	Workers' Compensation	Retiree Health Care	Total Internal Service Funds
<i>Operating Revenues:</i>				
Charges for services	\$ 688,751	\$ 106,961	\$ 1,477,345	\$ 2,273,057
Other	-	10,140	-	10,140
Total operating revenues	<u>688,751</u>	<u>117,101</u>	<u>1,477,345</u>	<u>2,283,197</u>
<i>Operating Expenses:</i>				
Salaries, taxes and benefits	171,660	-	-	171,660
Gas, oil and fuel	102,898	-	-	102,898
Depreciation	372,833	-	-	372,833
Operation and maintenance	91,148	-	-	91,148
Contractual services and fees	161,063	2,500	-	163,563
Insurance and other	73,453	-	-	73,453
Benefits and claims	-	188,972	1,399,098	1,588,070
Total operating expenses	<u>973,055</u>	<u>191,472</u>	<u>1,399,098</u>	<u>2,563,625</u>
Operating income (loss)	<u>(284,304)</u>	<u>(74,371)</u>	<u>78,247</u>	<u>(280,428)</u>
<i>Nonoperating Revenues (Expenses):</i>				
Investment income	28,114	12,823	25,847	66,784
Interest expense	(2,052)	-	-	(2,052)
Operating grants	12,149	-	-	12,149
Gain on sale of equipment	3,896	-	-	3,896
Total nonoperating revenues (expenses)	<u>42,107</u>	<u>12,823</u>	<u>25,847</u>	<u>80,777</u>
Change in net position	(242,197)	(61,548)	104,094	(199,651)
Net position-beginning of year	<u>3,112,484</u>	<u>659,008</u>	<u>1,906,870</u>	<u>5,678,362</u>
Net position-end of year	<u>\$ 2,870,287</u>	<u>\$ 597,460</u>	<u>\$ 2,010,964</u>	<u>\$ 5,478,711</u>

CITY OF YPSILANTI, MICHIGAN
Combining Statement of Cash Flows
Internal Service Funds
Fiscal Year Ended June 30, 2019

	Motor Pool	Workers' Compensation	Retiree Health Care	Total Internal Service Funds
<i>Cash Flows from Operating Activities</i>				
Cash received from interfund charges	\$ 693,533	\$ 137,260	\$ 1,476,928	\$ 2,307,721
Cash payments for employee services and benefits	(172,420)	-	-	(172,420)
Cash payments for claims	-	(151,341)	(1,399,098)	(1,550,439)
Cash payments to suppliers for goods and services	(464,575)	(2,500)	(3,848)	(470,923)
Net cash flows from operating activities	<u>56,538</u>	<u>(16,581)</u>	<u>73,982</u>	<u>113,939</u>
<i>Cash Flows from Noncapital Financing Activities</i>				
Cash received from other governments	<u>12,149</u>	-	-	<u>12,149</u>
<i>Cash Flows from Capital and Related Financing Activities</i>				
Acquisition of capital assets	(159,658)	-	-	(159,658)
Proceeds from sale of assets	3,896	-	-	3,896
Principal paid on capital lease	(22,595)	-	-	(22,595)
Interest paid on capital lease	(2,052)	-	-	(2,052)
Net cash flows from capital and related financing activities	<u>(180,409)</u>	-	-	<u>(180,409)</u>
<i>Cash Flows from Investing Activities</i>				
Investment earnings	28,114	12,823	25,847	66,784
Proceeds from sale of investments	<u>778,436</u>	<u>500,377</u>	-	<u>1,278,813</u>
Net cash flows from investing activities	<u>806,550</u>	<u>513,200</u>	<u>25,847</u>	<u>1,345,597</u>
Net increase in cash and cash equivalents	694,828	496,619	99,829	1,291,276
Cash and cash equivalents beginning of year	<u>943,628</u>	<u>100,841</u>	<u>1,820,931</u>	<u>2,865,400</u>
Cash and cash equivalents end of year	<u>\$ 1,638,456</u>	<u>\$ 597,460</u>	<u>\$ 1,920,760</u>	<u>\$ 4,156,676</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$ (284,304)	\$ (74,371)	\$ 78,247	\$ (280,428)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	372,833	-	-	372,833
Changes in assets and liabilities:				
Receivables	4,782	20,159	(417)	24,524
Inventory	(4,929)	-	-	(4,929)
Prepaid items	-	37,631	(3,759)	33,872
Accounts payable	(31,084)	-	(89)	(31,173)
Accrued liabilities	(760)	-	-	(760)
Net cash flows from operating activities	<u>\$ 56,538</u>	<u>\$ (16,581)</u>	<u>\$ 73,982</u>	<u>\$ 113,939</u>

CITY OF YPSILANTI, MICHIGAN
Statement of Changes in Assets and Liabilities
Current Tax Agency Fund
Fiscal Year Ended June 30, 2019

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Assets:				
Cash and cash equivalents	\$ <u>8,068</u>	\$ <u>85,109,212</u>	\$ <u>85,104,486</u>	\$ <u>4,726</u>
Liabilities:				
Undistributed monies	\$ <u>8,068</u>	\$ <u>85,109,212</u>	\$ <u>85,104,486</u>	\$ <u>4,726</u>

CITY OF YPSILANTI, MICHIGAN
Statement of Net Position and Governmental Fund Balance Sheet
Downtown Development Authority Component Unit
June 30, 2019

	General Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
<i>Assets</i>					
Cash and cash equivalents	\$ 247,939	\$ -	\$ 247,939	\$ -	\$ 247,939
Receivables	10,300	-	10,300	-	10,300
Depreciable capital assets, net	-	-	-	1,373,551	1,373,551
Total assets	<u>\$ 258,239</u>	<u>\$ -</u>	<u>\$ 258,239</u>	<u>1,373,551</u>	<u>1,631,790</u>
<i>Liabilities</i>					
Accounts payable	\$ 3,686	\$ -	\$ 3,686	-	3,686
Accrued liabilities	4,639	-	4,639	1,647	6,286
Long-term liabilities:					
Due within one year	-	-	-	70,000	70,000
Due more than one year	-	-	-	305,000	305,000
Total liabilities	<u>8,325</u>	<u>-</u>	<u>8,325</u>	<u>376,647</u>	<u>384,972</u>
<i>Fund Balance</i>					
Unassigned	249,914	-	249,914		
Total liabilities and fund balance	<u>\$ 258,239</u>	<u>\$ -</u>	<u>\$ 258,239</u>		
<i>Net Position</i>					
Net investment in capital assets				998,551	998,551
Unrestricted				248,267	248,267
Total net position				<u>\$ 1,246,818</u>	<u>\$ 1,246,818</u>

CITY OF YPSILANTI, MICHIGAN

Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balances
Downtown Development Authority Component Unit
Fiscal Year Ended June 30, 2019

	General Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
<i>Expenditures / Expenses</i>					
Community development	\$ 203,793	\$ -	\$ 203,793	\$ 69,667	\$ 273,460
Debt service:					
Principal	-	65,000	65,000	(65,000)	-
Interest and fiscal charges	-	19,765	19,765	-	19,765
Total expenditures / expenses	<u>203,793</u>	<u>84,765</u>	<u>288,558</u>	<u>4,667</u>	<u>293,225</u>
 Program Revenue					
Operating grants and contributions	-	-	-	150,000	150,000
 General Revenue					
Property taxes	272,290	-	272,290	-	272,290
Grants and contributions	150,000	-	150,000	(150,000)	-
Other revenue	34,232	-	34,232	-	34,232
Investment earnings	<u>2,571</u>	<u>-</u>	<u>2,571</u>	<u>-</u>	<u>2,571</u>
Total general revenue	<u>459,093</u>	<u>-</u>	<u>459,093</u>	<u>(150,000)</u>	<u>309,093</u>
General revenue over (under) expenditures / expenses	255,300	(84,765)	170,535	(154,667)	165,868
 Other Financing Sources (Uses)					
Transfers in	-	84,765	84,765	(84,765)	-
Transfers out	<u>(84,765)</u>	<u>-</u>	<u>(84,765)</u>	<u>84,765</u>	<u>-</u>
Total other financing sources (uses)	<u>(84,765)</u>	<u>84,765</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	170,535	-	170,535		
Fund balance-beginning of year	<u>79,379</u>	<u>-</u>	<u>79,379</u>		
Fund balance-end of year	<u>\$ 249,914</u>	<u>\$ -</u>	<u>\$ 249,914</u>		
Net change in net position				165,868	165,868
Net position-beginning of year				<u>1,080,950</u>	<u>1,080,950</u>
Net position-end of year				<u>\$ 1,246,818</u>	<u>\$ 1,246,818</u>

CITY OF YPSILANTI, MICHIGAN
Statement of Net Position and Governmental Fund Balance Sheet
Depot Town Downtown Development Authority Component Unit
June 30, 2019

	General Fund	Adjustments	Statement of Net Position
<i>Assets</i>			
Cash and cash equivalents	\$ 326,227	\$ -	\$ 326,227
Receivables	515	-	515
Depreciable capital assets, net	-	<u>245,792</u>	<u>245,792</u>
Total assets	<u>\$ 326,742</u>	<u>245,792</u>	<u>572,534</u>
 <i>Liabilities</i>			
Accounts payable	<u>\$ 1,765</u>	-	<u>1,765</u>
 <i>Fund Balance</i>			
Unassigned	<u>324,977</u>		
Total liabilities and fund balance	<u>\$ 326,742</u>		
 <i>Net Position</i>			
Investment in capital assets		245,792	245,792
Unrestricted		<u>324,977</u>	<u>324,977</u>
Total net position		<u>\$ 570,769</u>	<u>\$ 570,769</u>

CITY OF YPSILANTI, MICHIGAN

Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance
 Depot Town Downtown Development Authority Component Unit
 Fiscal Year Ended June 30, 2019

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<i>Expenditures / Expenses</i>			
Community development	<u>\$ 177,359</u>	<u>\$ 17,472</u>	<u>\$ 194,831</u>
 General Revenue			
Property taxes	209,901	-	209,901
Other revenue	5,000	-	5,000
Investment earnings	<u>5,113</u>	-	<u>5,113</u>
Total general revenue	<u>220,014</u>	<u>-</u>	<u>220,014</u>
 Net change in fund balances	42,655		
 Fund balance-beginning of year	<u>282,322</u>		
Fund balance-end of year	<u><u>\$ 324,977</u></u>		
 Net change in net position		25,183	25,183
 Net position-beginning of year		<u>545,586</u>	<u>545,586</u>
Net position-end of year		<u><u>\$ 570,769</u></u>	<u><u>\$ 570,769</u></u>

CITY OF YPSILANTI, MICHIGAN
Statement of Net Position and Governmental Fund Balance Sheet
Economic Development Corporation Component Unit
June 30, 2019

	General Fund	Adjustments	Statement of Net Position
<i>Assets</i>			
Cash and cash equivalents	\$ 33,046	\$ -	\$ 33,046
Nondepreciable capital assets	-	<u>53,200</u>	<u>53,200</u>
Total assets	<u>\$ 33,046</u>	<u>53,200</u>	<u>86,246</u>
<i>Fund Balance</i>			
Unassigned	<u>33,046</u>		
Tota liabilities and fund balance	<u>\$ 33,046</u>		
<i>Net Position</i>			
Investment in capital assets		53,200	53,200
Unrestricted		<u>33,046</u>	<u>33,046</u>
Total net position		<u>\$ 86,246</u>	<u>\$ 86,246</u>

CITY OF YPSILANTI, MICHIGAN
Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance
Economic Development Corporation Component Unit
Fiscal Year Ended June 30, 2019

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<i>Expenditures / Expenses</i>			
Community development	<u>\$ 550</u>	<u>\$ -</u>	<u>\$ 550</u>
 General Revenue			
Investment earnings	<u>570</u>	<u>-</u>	<u>570</u>
 Net change in fund balances	20		
 Fund balance-beginning of year	<u>33,026</u>		
Fund balance-end of year	<u>\$ 33,046</u>		
 Net change in net position		20	20
 Net position-beginning of year		<u>86,226</u>	<u>86,226</u>
Net position-end of year		<u>\$ 86,246</u>	<u>\$ 86,246</u>

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STATISTICAL SECTION



CITY OF
YPSILANTI

Home of Eastern Michigan University

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Statistical Section

This part of the City'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 City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends (Tables 1 thru 4) These schedules contain trend information to help the reader understand how the City's financial position has changed over time.	116
Revenue Capacity (Tables 5 thru 8) These schedules contain information to help the reader understand and assess the factors affecting the City's ability to generate its most significant local revenue source, the property tax.	120
Debt Capacity (Tables 9 thru 13) These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	124
Economic and Demographic Information (Tables 14 thru 15) These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	129
Operating Information (Tables 16 thru 19) These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	131

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

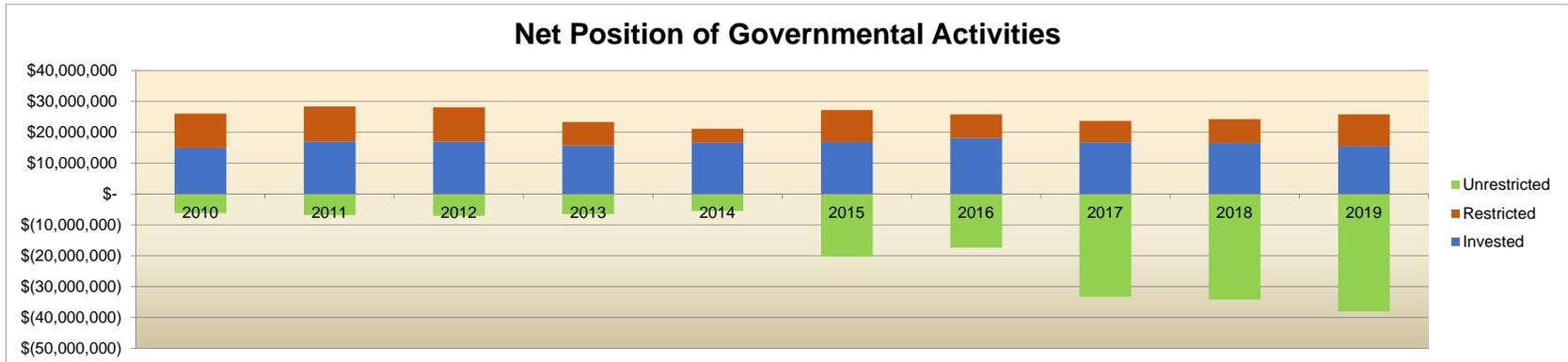
CITY OF YPSILANTI, MICHIGAN
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015 (1)	2016	2017 (2)	2018	2019
Governmental Activities:										
Net Investment in Capital Assets	\$ 14,987,983	\$ 16,952,331	\$ 16,911,390	\$ 15,636,305	\$ 16,524,392	\$ 16,749,695	\$ 18,147,399	\$ 16,659,020	\$ 16,446,266	\$ 15,491,863
Restricted	10,975,911	11,357,896	11,083,068	7,631,866	4,545,511	10,414,995	7,598,773	6,954,062	7,737,133	10,239,694
Unrestricted (Deficit)	(6,202,344)	(6,850,753)	(7,091,726)	(6,545,637)	(5,533,659)	(20,315,186)	(17,387,277)	(33,336,312)	(34,226,541)	(38,059,316)
Total Governmental Activities Net Position	\$ 19,761,550	\$ 21,459,474	\$ 20,902,732	\$ 16,722,534	\$ 15,536,244	\$ 6,849,504	\$ 8,358,895	\$ (9,723,230)	\$ (10,043,142)	\$ (12,327,759)

Source: City of Ypsilanti's financial statements

(1) The City implemented GASB 68 in FY2015. Information prior to FY2015 was not available to restate.

(2) The City implemented GASB 75 in FY2018. Information prior to FY2017 was not available to restate.



CITY OF YPSILANTI, MICHIGAN
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
General Government	\$ 3,075,617	\$ 3,326,238	\$ 2,866,101	\$ 2,083,855	\$ 1,690,255	\$ 2,894,307	\$ 4,294,933	\$ 3,084,786	\$ 3,556,035	\$ 4,177,241
Public Safety	8,638,877	8,257,558	8,601,201	7,908,177	8,878,722	9,667,739	10,198,973	8,961,050	9,749,189	11,316,595
Public Works and Refuse Collection	2,031,833	1,980,913	2,015,694	4,067,582	5,542,347	1,815,800	2,034,380	1,925,326	1,617,860	1,696,531
Highways, Streets and Bridges	3,612,341	1,192,916	2,823,389	3,921,320	3,143,348	3,732,864	3,049,680	3,825,640	3,598,015	3,091,800
Culture and Recreation	435,711	69,221	367,484	408,367	366,668	419,667	911,753	1,095,758	517,317	529,135
Community Development	229,274	189,050	184,244	292,867	255,416	361,966	404,780	454,835	624,746	453,202
Public Transportation	-	-	262,320	308,564	275,386	268,428	316,471	282,793	283,372	289,809
Interest and Fiscal Charges	2,748,116	2,481,838	2,329,834	2,095,288	2,103,523	1,858,619	1,654,899	1,218,241	831,258	850,057
Total Expenses	20,771,769	17,497,734	19,450,267	21,086,020	22,255,665	21,019,390	22,865,869	20,848,429	20,777,792	22,404,370
Program Revenues										
Charges for Services										
General Government	1,153,950	1,121,010	1,241,641	1,419,828	2,320,700	1,780,054	2,258,965	1,738,729	1,813,812	1,632,037
Public Safety	959,591	1,098,886	935,124	1,197,437	786,308	722,075	763,522	1,041,006	968,656	941,262
Public Works and Refuse Collections	-	-	-	-	-	-	-	-	83,269	82,525
Highways, Streets and Bridges	-	-	93,722	-	-	-	-	-	48,616	45,520
Culture and Recreation	-	-	-	-	-	-	-	-	2,125	1,125
Community Development	1,200	1,200	1,200	1,500	1,552	1,500	1,500	-	-	11,200
Operating Grants and Contributions	4,930,921	3,585,313	2,712,064	4,282,348	3,829,486	4,697,877	6,574,946	2,547,760	3,596,920	2,986,676
Capital Grants and Contributions	110,078	609,256	322,858	24,258	692,619	176,177	1,525,918	59,983	628,205	196,966
Total Program Revenues	7,155,740	6,415,665	5,306,609	6,925,371	7,630,665	7,377,683	11,124,851	5,387,478	7,141,603	5,897,311
Net (Expense)/Revenue	(13,616,029)	(11,082,069)	(14,143,658)	(14,160,649)	(14,625,000)	(13,641,707)	(11,741,018)	(15,460,951)	(13,636,189)	(16,507,059)
General Revenues										
Property Taxes	11,417,456	9,907,455	10,555,401	10,309,164	10,656,453	10,606,608	10,452,347	10,582,364	10,345,083	11,018,343
Unrestricted Grants and Contributions	2,671,507	2,670,643	2,256,140	2,342,612	2,420,667	2,483,001	2,555,299	3,033,942	2,755,507	2,693,174
Unrestricted Investment Earnings (Loss)	169,291	201,895	775,375	(13,260)	341,590	368,451	242,763	68,510	169,432	337,327
Other	-	-	-	-	-	-	-	-	46,255	173,598
Total General Revenues	14,258,254	12,779,993	13,586,916	12,638,516	13,418,710	13,458,060	13,250,409	13,684,816	13,316,277	14,222,442
Special Item										
Change in Fair Value of Land Held for Resale	-	-	-	(1,995,335)	-	-	-	(768,350)	-	-
Change in Net Position	\$ 642,225	\$ 1,697,924	\$ (556,742)	\$ (3,517,468)	\$ (1,206,290)	\$ (183,647)	\$ 1,509,391	\$ (2,544,485)	\$ (319,912)	\$ (2,284,617)

Source: City of Ypsilanti's financial statements

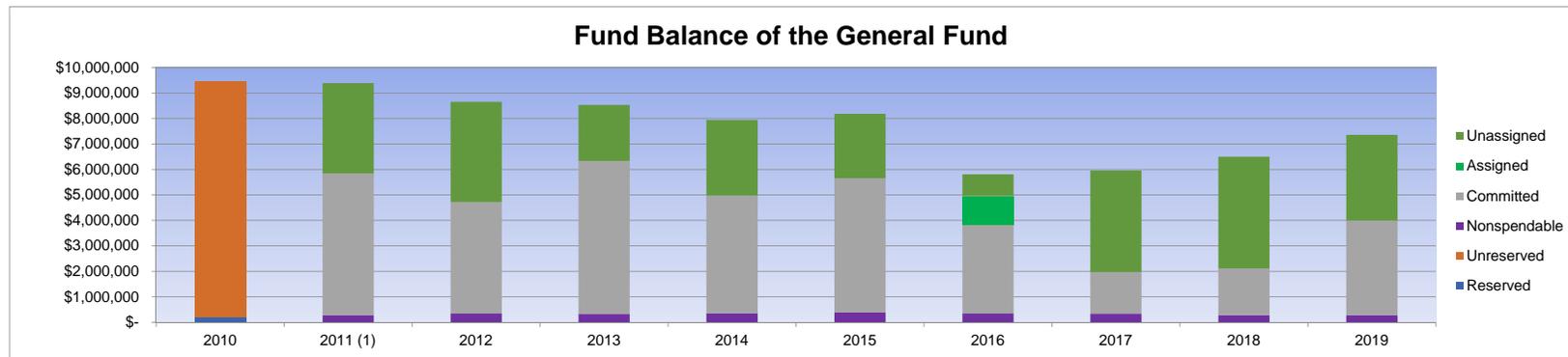
CITY OF YPSILANTI, MICHIGAN
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2010	2011 (1)	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 206,175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Designated	6,820,988	-	-	-	-	-	-	-	-	-
Unreserved, Undesignated	2,436,793	-	-	-	-	-	-	-	-	-
Nonspendable	-	269,199	344,707	329,819	348,324	393,356	343,892	336,731	281,801	273,809
Committed	-	5,579,241	4,378,434	6,008,192	4,631,779	5,260,352	3,485,701	1,632,133	1,828,128	3,714,499
Unassigned	-	3,545,913	3,936,006	2,201,556	2,968,262	2,530,473	852,096	3,996,055	4,397,639	3,370,652
Total General Fund	9,463,956	9,394,353	8,659,147	8,539,567	7,948,365	8,184,181	5,812,522	5,964,919	6,507,568	7,358,960
All Other Governmental Funds										
Reserved	6,302,934	-	-	-	-	-	-	-	-	-
Unreserved, Designated	309,560	-	-	-	-	-	-	-	-	-
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	2,664,551	-	-	-	-	-	-	-	-	-
Debt Service Funds	1,787,942	-	-	-	-	-	-	-	-	-
Capital Projects Funds	861,140	-	-	-	-	-	-	-	-	-
Nonspendable	-	4,763,817	4,763,817	2,768,482	1,900,300	1,934,877	2,019,100	-	1,131,950	-
Restricted	-	5,671,778	4,869,060	5,327,431	3,069,197	5,979,102	3,539,698	3,106,870	3,732,277	6,015,990
Committed	-	922,301	1,411,547	1,061,201	1,084,209	753,262	2,193,435	3,055,162	1,899,256	2,365,698
Unassigned	-	-	(23,938)	(168,166)	1,832,262	(34,577)	-	-	-	-
Total All Other Governmental Funds	11,926,127	11,357,896	11,020,486	8,988,948	7,885,968	8,632,664	7,752,233	6,162,032	6,763,483	8,381,688
Total Governmental Funds	\$ 21,390,083	\$ 20,752,249	\$ 19,679,633	\$ 17,528,515	\$ 15,834,333	\$ 16,816,845	\$ 13,564,755	\$ 12,126,951	\$ 13,271,051	\$ 15,740,648

Source: City of Ypsilanti's financial statements

(1) The City implemented the provisions GASB Statement No. 54 in fiscal 2011, which changed the governmental fund balance classifications.

The City has elected not to restate fund balance amounts for fiscal years prior to implementation.



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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes and special assessments	\$ 11,417,456	\$ 9,907,455	\$ 10,555,401	\$ 10,309,164	\$ 10,656,453	\$ 10,606,608	\$ 10,452,347	\$ 10,582,364	\$ 10,345,083	\$ 11,018,343
Licenses and permits	530,812	666,586	734,250	748,417	648,881	867,227	822,818	880,933	1,061,002	1,071,663
Intergovernmental	7,880,092	8,369,061	6,678,576	7,112,100	6,851,138	9,076,428	9,002,708	8,232,651	8,099,175	8,551,903
Charges for services	533,974	542,669	448,341	733,730	417,906	475,814	471,898	635,838	483,949	563,582
Fines and forfeitures	475,530	597,265	516,393	499,099	414,468	315,907	356,170	446,318	484,649	542,875
Investment earnings	35,676	165,346	413,204	(33,737)	182,666	270,174	178,039	42,641	132,749	270,543
Donations and contributions	-	-	-	-	-	-	-	-	117,876	105,491
Other revenues	716,969	541,067	680,652	671,558	1,710,943	1,193,807	1,434,652	769,796	634,418	754,965
Total Revenues	21,590,509	20,789,449	20,026,817	20,040,331	20,882,455	22,805,965	22,718,632	21,590,541	21,358,901	22,879,365
Expenditures										
Current:										
General government	2,127,907	2,433,291	2,141,990	2,214,452	2,287,975	2,797,658	2,629,465	2,408,251	2,488,641	2,559,390
Public safety	8,182,781	8,326,438	8,093,201	7,264,800	7,806,628	8,048,474	7,954,140	7,853,131	8,500,480	8,303,137
Public works	912,196	848,754	788,210	2,085,725	3,597,878	902,141	1,193,485	997,658	783,880	741,524
Refuse collection	1,078,414	1,065,037	1,041,143	1,112,773	1,017,678	859,180	833,639	884,179	940,435	954,998
Highways, streets and bridges	1,540,487	1,592,516	1,740,226	1,806,267	1,476,912	2,318,364	2,523,389	2,229,228	1,450,475	1,338,469
Culture and recreation	457,372	348,756	300,134	284,251	1,136,746	309,980	2,174,842	1,048,105	413,267	758,355
Community development	544,408	498,817	75,033	92,208	32,448	55,522	46,002	-	-	-
Public transportation	158,967	218,000	262,183	308,175	274,846	267,238	315,229	282,327	283,544	287,313
Unallocated employee benefits	964,144	878,085	950,627	1,043,139	928,133	727,865	884,137	886,100	1,015,269	1,043,086
Tax tribunal refunds	-	-	397,353	13,735	12,712	260,020	49,000	(11,536)	(13,288)	71,746
Debt service:										
Principal retirement	2,738,504	2,970,000	3,175,000	3,340,000	3,535,000	3,665,000	5,985,000	4,270,000	3,545,000	3,425,000
Interest and fiscal charges	2,705,052	2,561,716	2,326,442	2,204,172	2,157,920	1,883,263	1,781,392	1,412,552	1,017,275	926,750
Bond issuance costs	-	-	-	-	-	-	209,618	153,418	-	-
Total Expenditures	21,410,232	21,741,410	21,291,542	21,769,697	24,264,876	22,094,705	26,579,338	22,413,413	20,424,978	20,409,768
<i>Excess/(Deficiency) of Revenues Over/ (Under) Expenditures</i>	<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>	<u>(3,860,706)</u>	<u>(822,872)</u>	<u>933,923</u>	<u>2,469,597</u>
Other Financing Sources (Uses)										
Transfers in	2,300,123	1,639,043	2,122,966	6,759,280	4,928,666	2,140,163	4,614,790	1,610,549	1,442,333	1,323,410
Transfers out	(2,214,414)	(1,431,863)	(1,930,857)	(6,470,040)	(4,717,299)	(2,084,574)	(4,614,790)	(1,610,549)	(1,442,333)	(1,323,410)
Sale of assets	-	-	-	-	-	-	-	-	210,177	-
Issuance of debt	87,401	3,856,253	-	5,372,551	8,993,185	215,663	10,838,601	8,455,000	-	-
Bond premiums (discounts)	-	-	-	(83,208)	433,687	-	60,015	1,122,195	-	-
Payment to refunding escrow agent	-	(3,749,306)	-	(4,005,000)	(7,950,000)	-	(10,290,000)	(9,423,777)	-	-
Total Other Financing Sources (Uses)	173,110	314,127	192,109	1,573,583	1,688,239	271,252	608,616	153,418	210,177	-
Special Item - change in market value of land held for resale	-	-	-	(1,995,335)	-	-	-	(768,350)	-	-
Net Change in Fund Balances	<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>\$ (3,252,090)</u>	<u>\$ (1,437,804)</u>	<u>\$ 1,144,100</u>	<u>\$ 2,469,597</u>
<i>Debt Service as a percentage of non-capital expenditures</i>	<u>25.8%</u>	<u>29.9%</u>	<u>27.7%</u>	<u>26.3%</u>	<u>25.4%</u>	<u>26.7%</u>	<u>33.4%</u>	<u>26.6%</u>	<u>22.5%</u>	<u>21.9%</u>

Source: City of Ypsilanti's financial statements

Table 5
Unaudited

CITY OF YPSILANTI, MICHIGAN
Assessed Value and Taxable Value of Real and Personal Property
Last Ten Fiscal 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	
2018	2019	\$ 300,675,193	\$ 387,161,686	\$ 16,829,624	\$ 16,829,624	\$ 317,504,817	\$ 403,991,310	34.1423
2017	2018	289,053,202	376,271,300	16,896,400	16,896,400	305,949,602	393,167,700	33.5261
2016	2017	281,935,196	343,372,917	15,501,500	15,501,500	297,436,696	358,874,417	35.0727
2015	2016	278,962,991	313,904,850	17,146,400	16,897,689	296,109,391	330,802,539	34.9012
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

Source: City of Ypsilanti Assessing Division

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

(2) Estimated actual value equals the assessed value.

Table 6
Unaudited

CITY OF YPSILANTI, MICHIGAN
Direct and Overlapping Property Tax Rates
(rate per \$1,000 of taxable value)
Last Ten Fiscal Years

Fiscal Year Ended	Ypsilanti City	Ypsilanti Public Schools	State Education Tax	Washtenaw	Washtenaw County	Washtenaw Community College	Ypsilanti District Library	Ann Arbor Area Transit Authority	Totals	
				Intermediate School District					Homestead	Non- Homestead
2019	34.1423	27.9712	6.0000	5.3285	7.5911	3.3763	1.9338	0.6936	69.0368	87.0368
2018	33.5261	25.8579	6.0000	5.4109	6.2122	3.4267	2.7166	0.6860	65.9785	83.8364
2017	35.0727	25.9712	6.0000	5.4509	6.2432	3.4360	2.7660	0.6943	67.6631	85.6343
2016	34.9012	26.0000	6.0000	3.9745	6.3058	3.4576	2.7922	0.7000	66.1313	84.1313
2015	35.7735	25.0000	6.0000	3.9745	6.2838	3.4576	2.8110	0.7000	66.0040	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

Components of City Millage Rate

Fiscal Year Ended	General Operating	Sanitation	Streets	Public Transport	Police and Fire Pension	Total
2019	18.3137	2.6778	2.0613	0.9424	10.1471	34.1423
2018	18.7386	2.7400	2.7189	0.9643	8.3643	33.5261
2017	18.9069	2.7647	4.5866	0.9730	7.8415	35.0727
2016	19.0211	2.7814	4.5787	0.9789	7.5411	34.9012
2015	19.0211	2.7814	4.6772	0.9789	8.3149	35.7735
2014	19.0211	2.7814	4.7904	0.9789	8.9229	36.4947
2013	19.0211	2.7814	5.0243	0.9789	7.4003	35.2060
2012	19.0211	2.7814	4.5685	0.9789	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

Source: City of Ypsilanti Finance Department

Table 7
Unaudited

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

Taxpayer	Tax Year 2018			Tax Year 2009		
	Taxable Value	Rank	Percent of Total Taxable Value	Taxable Value	Rank	Percent of Total Taxable Value
DTE Electric Company	\$ 6,239	1	1.97%	\$ 9,161	1	2.47%
LeForge Station II	5,036	2	1.59%	7,228	3	1.95%
Cross Street Village	1,998	3	0.63%			
Forrest Knoll Apts	1,929	4	0.61%	1,696	8	0.46%
CPI Apartment Fund 18 LLC	1,790	5	0.56%			
Ypsilanti Realty Holdings LLC	1,671	6	0.53%			
Erie Investments No. 15 LLC	1,601	7	0.50%			
FHMC Real Estate, LLC	1,584	8	0.50%			
Huron View Properties, LLC	1,557	9	0.49%	1,780	7	0.48%
Riverrain Apartments	1,482	10	0.47%	2,299	6	
Automotive Components Holdings, LLC				8,703	2	2.35%
University Housing				3,535	4	0.95%
Forest Health Medical				3,449	5	0.93%
Parkview Apts				1,606	9	0.43%
Reichuang, LLC				1,518	10	0.41%
	<u>\$ 24,887</u>		<u>7.84%</u>	<u>\$ 40,975</u>		<u>12.91%</u>
Total Taxable Value	<u>\$ 317,505</u>			<u>\$ 370,476</u>		

Source: City of Ypsilanti Assessing Division

CITY OF YPSILANTI, MICHIGAN
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended (1)	Taxes Levied For The Fiscal Year (2)	Collected Within The Fiscal Year of the Levy			Total Collections To Date		
		Amount	Percent of Levy	Delinquent Collections (3)	Amount	Percent of Levy	
2019	\$ 8,510,864	\$ 7,931,411	93.2%	\$ 556,266	\$ 8,487,677	99.7%	
2018	8,069,358	7,501,956	93.0%	567,402	8,069,358	100.0%	
2017	7,976,943	7,464,410	93.6%	512,533	7,976,943	100.0%	
2016	7,821,191	7,297,100	93.3%	524,091	7,821,191	100.0%	
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%	

(1) Property taxes are levied July 1st of the current fiscal year based on taxable property values as of the preceding December 31st. Summer taxes become delinquent as of September 15th. Winter taxes become delinquent as of February 15th. 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 1st for collection.

(2) Includes Industrial Facility Tax.

(3) Includes settlement from Washtenaw County Delinquent Tax Revolving Fund for purchase of delinquent real property taxes.

Source: City of Ypsilanti Treasury Division

CITY OF YPSILANTI, MICHIGAN
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Revenue Bonds	Unamortized Premium	Other Obligations	Amounts Available in Debt Service Funds	Total Outstanding Debt	Total Taxable Value	Ratio of Debt To Taxable Value	Total Population	Total Debt Per Capita	Personal Income	Percent of Personal Income
2019	\$ 8,785,000	\$ 18,461,984	\$ 1,070,234	\$ 387,203	\$ (8,502)	\$ 28,695,919	\$ 317,504,817	9.04%	20,995	\$ 1,367	\$ 1,016,745	2.82%
2018	10,180,000	20,491,984	1,223,713	409,798	(196,611)	32,108,884	305,949,602	10.49%	21,076	1,523	975,208	3.29%
2017	11,810,000	22,406,984	1,377,192	431,748	(190,375)	35,835,549	297,436,696	12.05%	21,018	1,705	955,982	3.75%
2016	14,160,000	25,491,984	399,767	453,072	(179,174)	40,325,649	296,109,391	13.62%	19,945	2,022	881,210	4.58%
2015	18,125,000	26,963,383	371,731	3,224,136	(150,642)	48,533,608	292,133,419	16.61%	20,081	2,417	882,098	5.50%
2014	19,925,000	28,612,720	402,709	3,090,350	(156,184)	51,874,595	289,614,595	17.91%	20,142	2,575	870,175	5.96%
2013	21,640,000	29,389,535	-	3,090,350	(1,788,071)	52,331,814	290,729,097	18.00%	19,621	2,667	800,948	6.53%
2012	23,080,000	29,921,984	-	3,090,350	(1,744,330)	54,348,004	309,194,034	17.58%	19,375	2,805	733,518	7.41%
2011	24,560,000	31,616,984	-	3,090,350	(1,766,812)	57,500,522	329,993,209	17.42%	19,435	2,959	735,790	7.81%
2010	25,805,000	33,277,955	-	3,090,350	(1,787,942)	60,385,363	370,475,911	16.30%	19,201	3,145	726,931	8.31%

Source: City of Ypsilanti Finance Department
Details regarding the City's debt can be found in the notes to the financial statements.
Unamortized premium applies only to revenue bonds.

Table 10
Unaudited

CITY OF YPSILANTI, MICHIGAN
*Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years*

Fiscal Year	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Net General Bonded Debt	Percent of Actual Taxable Value of Property	Per Capita
2019	\$ 8,785,000	\$ (8,502)	\$ 8,776,498	2.76%	\$ 418
2018	10,180,000	(196,611)	9,983,389	3.26%	474
2017	11,810,000	(190,375)	11,619,625	3.91%	553
2016	14,160,000	(179,174)	13,980,826	4.72%	701
2015	18,125,000	(150,642)	17,974,358	6.15%	895
2014	19,925,000	(156,184)	19,768,816	6.83%	981
2013	21,640,000	(1,788,071)	19,851,929	6.83%	1,012
2012	23,080,000	(1,744,330)	21,335,670	6.90%	1,101
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

CITY OF YPSILANTI, MICHIGAN
Computation of Net Direct and Overlapping Debt
June 30, 2019

	Gross Amount Outstanding	Self-Supporting or Paid by Benefited Government	Net Amount Outstanding
Direct debt			
General obligation bonds	\$ 8,785,000	\$ -	\$ 8,785,000
General obligation bonds - DDA	375,000	375,000	-
Revenue bonds and unamortized premiums (2)	19,532,218	17,727,720	1,804,498
Other obligations	<u>387,203</u>	<u>-</u>	<u>387,203</u>
Total direct debt	<u>\$ 29,079,421</u>	<u>\$ 18,102,720</u>	<u>\$ 10,976,701</u>
		Percentage Applicable to	Share Applicable to
	Net Debt Outstanding	City of Ypsilanti	City of Ypsilanti
Overlapping debt (1)			
Ypsilanti School District	\$ 79,662,207	27.50%	\$ 21,904,192
Washtenaw County	38,540,048	1.91%	736,115
Washtenaw Community College	<u>8,375,000</u>	1.95%	<u>163,313</u>
	<u>\$ 126,577,255</u>		<u>22,803,620</u>
Total direct and overlapping debt			<u>\$ 33,780,321</u>

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

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

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

CITY OF YPSILANTI, MICHIGAN
Legal Debt Margin Information
Last Ten Fiscal Years

Legal debt margin calculation for 2019	
Assessed value (state equalized value)	<u>\$ 403,991,310</u>
Debt limit (10% of assessed value)	<u>\$ 40,399,131</u>
Net debt subject to limitation:	
General obligation bonds	8,785,000
Less: amounts available for repayment of general obligation bonds	<u>(8,502)</u>
	<u>8,776,498</u>
Legal debt margin	<u>\$ 31,622,633</u>

Fiscal Year	Debt Limit	Net Debt Applicable to Limit	Legal Debt Margin	Ratio
2018	\$ 40,399,131	8,776,498	\$ 31,622,633	21.72%
2017	35,887,442	11,619,625	24,267,817	32.38%
2016	33,080,254	13,503,640	19,576,614	40.82%
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%

Source: City of Ypsilanti Finance Department

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

Fiscal Year Ended August 31,	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Total Debt Service Requirement (3)	Coverage
2018	\$ 43,734,205	\$ 29,758,749	\$ 13,975,456	\$ 6,496,119	215.1%
2017	42,326,307	32,898,538	9,427,769	6,923,769	136.2%
2016	39,405,150	32,304,067	7,101,083	6,431,896	110.4%
2015	36,497,656	29,589,319	6,908,337	7,925,358	87.2%
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	132.8%

(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.

Source: Ypsilanti Community Utilities Authority (YCUA) comprehensive annual financial report. YCUA is on an August 31st fiscal year end; as such, the 2019 report is not yet available.

CITY OF YPSILANTI, MICHIGAN
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Total		School Enrollment (3)	Unemployment Rates (4)
		Personal Income (2) (in thousands)	Per Capita Personal Income (2)		
2019	20,995	\$ 1,016,745	\$ 48,428	3,840	4.4%
2018	21,076	975,208	46,271	3,905	5.3%
2017	21,018	955,982	45,484	3,730	4.9%
2016	19,945	881,210	44,182	4,324	5.3%
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%

Year	Population (1)	Median Age (1)
2010	19,435	24
2000	22,237	24
1990	24,846	24
1980	24,031	24
1970	29,538	24
1960	20,957	-
1950	18,302	-
1940	12,121	-
1930	10,143	-

(1) Estimate per SEMCOG and/or U.S. Census Bureau.

(2) Estimate from U.S. Department of Commerce, Bureau of Economic Analysis.
(2013/14 data not available, so used year 2013 data for Washtenaw County).
(Total personal income = population x per capita).

(3) Data from Ypsilanti Community Schools Administrative Office.

(4) Labor market information at Michigan.gov (for Ann Arbor, MI MSA).

Table 15
Unaudited

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

Employer	2019			2010		
	Employees	Rank	% of Workforce	Employees	Rank	% of Workforce
Eastern Michigan University	1,697	1	6.23%	1,789	1	15.61%
Ypsilanti Community Schools	599	2	2.20%	700	2	6.11%
Washtenaw County	247	3	0.91%	200	3	1.74%
Michigan Department of Health and Human Services	177	4	0.65%			
Villa at Parkridge (Bortz Health Care)	150	5	0.55%	150	4	1.31%
Marsh Plating & Finishing Services	140	6	0.51%	60	8	0.52%
City of Ypsilanti	132	7	0.48%	104	6	0.91%
Forest Health Medical Center and Forest Health Services	124	8	0.45%	140	5	1.22%
The Gilbert Residence	121	9	0.44%			
Ypsilanti Health Center	90	10	0.33%			
Gene Butman Ford				62	7	0.54%
Walgreens				56	9	0.49%
Fischer Honda				25	10	0.22%
	<u>3,477</u>		<u>12.75%</u>	<u>3,286</u>		<u>28.67%</u>

Sources: Michigan Department of Technology, Management and Budget
City of Ypsilanti Finance Department
https://ycharts.com/indicators/ypsilanti_mi_labor_force

CITY OF YPSILANTI, MICHIGAN
Full-Time Equivalent Employees by Department
Last Ten Fiscal Years

Function/Program	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Mayor and City Council	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Administrative services										
City Manager	1.85	1.85	1.85	1.85	2.60	2.60	2.60	1.60	1.60	2.00
Human Resources	1.55	1.55	1.55	1.55	1.30	1.30	1.00	1.00	1.00	2.00
Ordinance Enforcement	0.50	0.50	0.50	0.50	1.70	1.70	3.00	4.00	-	2.00
Building Inspection	3.75	3.58	3.35	3.25	2.20	2.20	-	-	4.00	4.50
Planning & Development	1.65	1.65	2.38	2.38	2.13	2.13	3.35	4.40	5.40	5.00
	9.30	9.13	9.63	9.53	9.93	9.93	9.95	11.00	12.00	15.50
Citizen services										
Voters Registration, school and county election	-	-	-	-	-	-	-	-	0.50	0.50
City Clerk	2.00	2.00	1.95	1.95	1.95	1.95	1.45	1.50	1.75	2.50
City Treasurer	1.50	1.34	1.34	1.34	1.34	1.68	1.50	1.00	2.00	1.50
	3.50	3.34	3.29	3.29	3.29	3.63	2.95	2.50	4.25	4.50
Administrative Hearing Bureau	-	-	0.10	0.10	0.15	0.15	0.15	0.50	0.10	0.06
Fire services										
Administration	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50	2.00
Suppression	21.00	19.00	18.50	16.00	16.00	16.00	19.00	18.00	15.00	14.00
	22.00	20.00	19.50	17.00	17.00	17.00	20.00	19.00	16.50	16.00
Fiscal services										
Finance - Accounting	3.20	3.03	3.03	3.03	3.03	3.03	3.00	4.00	4.00	5.73
Finance - Assessor	1.00	1.00	0.93	0.33	0.33	0.33	-	-	-	-
	4.20	4.03	3.96	3.36	3.36	3.36	3.00	4.00	4.00	5.73
Police services										
Administration	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.50
Field Services	38.40	28.00	28.00	24.00	28.26	29.26	29.95	27.00	25.00	27.00
COPS Grant	-	3.00	3.00	2.00	2.00	2.00	-	-	-	-
Parking Enforcement	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	2.00
LAWNET Grant	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-
School Liaison Contract	1.00	1.00	-	-	-	-	1.00	1.00	-	-
	44.40	37.00	36.00	31.00	35.26	36.26	36.95	33.00	31.00	32.50
Public services										
Parks, streets, building, parking lots, and garbage collection	17.00	17.00	17.00	17.00	17.00	16.00	16.00	17.00	17.27	16.00
Administration	3.75	3.88	3.88	3.81	3.88	3.88	4.00	4.00	4.00	4.00
	20.75	20.88	20.88	20.81	20.88	19.88	20.00	21.00	21.27	20.00
Total full-time employees	104.15	94.38	93.36	85.09	89.87	90.21	93.00	91.00	89.12	94.29
Total council and full-time employees	111.15	101.38	100.36	92.09	96.87	97.21	100.00	98.00	96.12	101.29

Source: City of Ypsilanti Finance Department

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

Function/Program	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police services										
Number of uniform crime reporting	3,295	1,936	2,983	2,913	3,179	2,301	2,101	2,317	2,186	1,308
Number of traffic violations	8,458	3,253	3,609	3,024	3,528	1,779	1,257	1,881	1,374	1,008
Number of arrests	1,864	1,738	1,715	1,698	1,939	712	1,253	1,048	764	679
Number of parking violations	9,611	9,880	10,593	9,223	2,975	6,382	9,730	13,422	12,865	12,319
Fire services										
Number of calls answered	566	564	600	639	690	545	712	2,300	2,437	2,291
Number of inspections conducted (1)	1,464	1,588	400	384	264	325	513	171	113	17
Public Services										
Miles of local streets maintained	32.44	32.44	32.44	32.44	32.44	32.44	32.44	32.44	32.33	32.20
Miles of major streets maintained	21.22	21.22	21.22	21.22	21.22	21.22	21.22	21.22	21.22	21.22
Public Utilities										
Miles of water mains	53.74	53.74	58.66	58.66	58.66	53.40	59.00	59.00	70.00	70.00
Number of fire hydrants	663	663	663	663	663	663	663	663	663	663

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

(1) - Decrease in inspections in fiscal year 2019 was due to staffing turnover.

Table 18
Unaudited

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

Function/Program	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police Services										
Police department building	1	1	1	1	1	1	1	1	1	1
Temporary detention cells	2	2	2	2	2	2	2	2	2	2
Vehicle patrol units:										
Police service automobiles	10	10	9	9	9	9	9	9	10	9
Unmarked police vehicles	6	7	7	7	7	7	8	8	7	7
Parking enforcement	2	2	2	2	2	2	2	2	2	1
Mobile command vehicle	1	1	1	1	1	1	1	1	1	1
Volunteer service vehicle	1	1	1	1	1	1	1	1	-	-
Fire Services										
Emergency services building	1	1	1	1	1	1	1	1	1	1
Vehicle units:										
Pumper truck	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	-	-	-	-	-	-	-	-	-
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
Pickup truck	1	1	2	2	2	2	2	2	2	2
Utility van	1	1	-	-	-	-	-	-	-	-
Administrative Services										
Crown Victoria - CH	1	1	1	1	-	-	-	-	-	-
Impala	-	1	1	1	1	1	1	1	1	1
Taurus - CM	1	1	1	1	1	1	1	1	1	1
Building enforcement vehicles	2	3	3	3	2	2	2	3	2	2
Public Services										
Passenger:										
Crown Victoria	4	3	2	2	1	-	-	-	-	-
Escape	-	1	1	1	1	1	1	1	1	1
Van	1	1	-	-	-	-	-	-	-	-
Van with Aerial Lift	1	1	1	1	-	-	-	-	-	-
Trucks:										
Pick-up	9	8	7	7	5	4	4	4	4	4
with Aerial Lift	3	3	1	1	2	1	1	1	1	1
Dump	9	10	11	11	9	7	7	6	7	7
with Grapple	1	1	1	1	1	1	1	1	1	1
Stake	6	6	6	6	3	3	3	4	3	3
with Aerial Lift	-	-	1	1	1	1	1	1	1	1
Recycle Truck	1	1	-	-	-	-	-	-	-	-
Packer Truck	4	4	4	4	3	3	3	4	3	3
Brush Chipper	3	1	1	1	1	1	1	1	1	1

continued...

CITY OF YPSILANTI, MICHIGAN
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
(continued)

Function/Program	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Services (continued)										
Tractors:										
with Front Loader	2	2	1	1	-	-	-	1	-	-
with Front Loader/Rear Plow	1	1	1	1	1	1	1	1	-	-
with Bucket & Backhoe	1	1	1	1	-	-	-	-	-	-
with Drawn Rake	1	1	1	1	-	-	-	-	-	-
with Salt Spreader & Snow Plow	1	1	1	1	1	1	1	1	-	-
Garden	9	9	7	7	6	3	3	4	3	3
Wide Area Mower	1	1	1	1	1	1	1		1	1
Loader with Bucket	3	3	3	3	2	2	2	1	1	1
Rear Loader	-	1	1	1	1	1	1	1	1	1
Wheel Loader	-	-	-	-	-	-	1	1	1	1
Equipment:										
Gas Tester	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	2	1	2	2
Snow Blower	4	4	4	4	3	3	3	1	2	2
Traffic Counter	8	8	8	8	8	8	8	5	2	6
Star Drill	1	1	1	1	1	1	1	1	1	1
Flail Mower	1	-	-	-	-	-	-	-	-	-
Trailer	4	4	4	4	4	4	4	4	4	4
Sign Driver	-	1	1	1	1	1	1	1	1	1
Auger	2	2	2	2	2	2	2	2	1	1
Street Sweeper	2	2	3	3	2	2	2	2	2	2
Compactor	1	1	1	1	1	1	1	1	1	1
Cement Mixer	2	1	1	1	1	1	1	1	1	1
Bituminous	1	1	1	1	1	1	1	-	1	-
Hyd. Sewer Cleaner	2	1	1	1	1	1	1	1	1	1
Compressor	1	-	-	-	2	2	1	1	1	2
Concrete Pavement Saw	2	2	2	2	2	2	2	2	2	2
Parking Lot Plow	-	-	-	-	2	2	2	2	2	2
Rear Plow	1	1	1	1	1	1	1	1	1	1
Dual Line Stripper	1	1	1	1	1	1	1	1	1	1
Leaf Blower	3	3	3	3	3	3	3	3	3	3
Weed Eater	9	11	11	11	11	11	12	12	12	11
Weed Eater (brush cutter)	-	-	1	1	1	1	1	1	1	2
Rotary Lawn Mower	2	2	2	2	1	1	1	1	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	2	2	2	2	1	-	1	1	1	3
Maint. Drawn Tractor Blade	1	1	1	1	1	1	1	1	1	1
Sod Cutter	1	1	1	1	1	1	1	-	1	-
Rotary Tiller	1	1	1	1	1	1	1	1	1	1
Chain Saw	11	12	12	12	12	12	12	12	12	12
Power Pruner	4	3	3	3	3	3	3	3	3	3
Stump Cutter	1	-	-	-	-	-	-	-	-	-
Chipper Box	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	-	-	-	-	-

continued...

CITY OF YPSILANTI, MICHIGAN
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
(continued)

Function/Program	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Services (continued)										
Equipment (continued):										
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	-	-	-	-	-
Sandblaster	1	1	1	1	1	1	1	1	1	1
Weed Eater/Hedge Trimmer	-	-	1	1	1	1	1	1	1	1
Edger/Trimmer/Weed Eater	-	-	-	-	1	1	1	1	1	1
Pallet Forks	-	-	-	-	-	-	1	1	1	1
Jackhammer	-	-	-	-	-	-	1	1	1	1
Backhoe	-	-	-	-	-	-	1	1	1	1
Stump Grinder	-	-	-	-	-	-	1	1	1	1
Snow Pusher Blade	-	-	-	-	-	-	1	1	1	1
Auger bit 24"	-	-	-	-	-	-	1	1	1	1
Auger bit 36"	-	-	-	-	-	-	1	1	1	1
Grader	-	-	-	-	-	-	1	1	1	1
Soil Conditioner	-	-	-	-	-	-	1	1	1	1
Brush Hog	-	-	-	-	-	-	1	1	1	1
Parks & Recreation:										
Parks:										
Active	8	8	8	8	8	8	8	8	8	8
Inactive	1	1	1	1	1	1	1	1	1	1
Tot Lots	3	3	3	3	3	3	3	3	3	3
Park Acreage:										
Active Parks	81	81	81	81	81	81	81	81	81	81
Inactive	2	2	2	2	2	2	2	2	2	2
Tot Lots	2	2	2	2	2	2	2	1	2	2
Picnic Areas	9	9	9	9	9	9	9	9	9	9
Buildings:										
Parkridge Community Center	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Concessions	1	1	1	1	-	-	-	-	-	-
Pavillions	9	9	9	9	9	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	-	1	1	1	1	1	1	1	1	1
Park and Play Area Acreage										
Candy Cane Park	7	7	7	7	7	7	7	7	7	7
Carrie Mattingly Tot Lot	1	1	1	1	1	1	1	1	1	1
Charles Street Tot Lot	-	-	-	-	-	-	-	0.2	0.2	0.2
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

continued...

CITY OF YPSILANTI, MICHIGAN
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
(concluded)

Function/Program	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Park and Play Area Acreage (continued)										
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
Picnic										
Candy Cane Park	1	1	1	1	1	1	1	1	1	1
Edith Hefley Park	1	1	-	-	-	-	-	-	-	-
Frog Island Park	1	1	-	-	-	-	-	-	-	-
Parkridge Community Center	1	1	1	1	1	1	1	1	1	1
Peninsular Park	1	1	1	1	1	1	1	1	1	1
Prospect Park	2	2	2	2	2	2	2	2	2	2
Recreation Park/Pool/Senior Center	1	1	1	1	1	1	1	1	1	1
Riverside Park	1	1	1	1	1	1	1	1	1	1
Waterworks Park	1	1	1	1	1	1	1	1	1	1
Pavilions										
Recreation Park/Pool/Senior Center	1	1	1	1	1	1	1	1	1	1
Candy Cane Park	1	1	1	1	1	1	1	1	1	1
Prospect Park	2	2	2	2	2	2	2	2	2	2
Waterworks Park	1	1	1	1	1	1	1	1	1	1
Parkridge Park Community Center	1	1	1	1	1	1	1	1	1	1
Riverside Park	2	2	2	2	2	2	1	1	1	1
Peninsular Park	1	1	1	1	1	1	1	1	1	1
City Attractions										
Eastern Michigan Campus	1	1	1	1	1	1	1	1	1	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 Headquarters	1	1	-	-	-	-	-	-	-	-
Ypsilanti Automotive Heritage										
Collection	1	1	1	1	1	1	1	1	1	1
Ypsilanti District Library	1	1	1	1	1	1	1	1	1	1
Ypsilanti Historical Museum	1	1	1	1	1	1	1	1	1	1
Ypsilanti Water Tower	1	1	1	1	1	1	1	1	1	1
Ypsilanti West Commerce Park	1	1	1	1	1	1	1	1	1	1

Source: City of Ypsilanti Finance Department

CITY OF YPSILANTI, MICHIGAN
Schedule of Insurance
As of June 30, 2019

Type of Coverage	Name of Company	Policy Period	Premium	Description
Michigan Municipal League Liability and Property Pool		8/01/18 - 8/01/19	\$ 198,345	Covers general liability, police professional liability and public officials errors & omissions. Limit of liability \$2,000,000.
Michigan Municipal League Liability and Property Pool		8/01/18 - 8/01/19	68,872	Covers automobiles.
Michigan Municipal League Liability and Property Pool		8/01/18 - 8/01/19	32,495	Covers buildings, attached property, and equipment.
Meadowbrook Insurance Group		8/30/18 - 8/30/19	2,435	Covers commercial storage tank.
Blue Cross - Blue Shield, EHIM, Sun Life, Fort Dearborn, MECA, UNUM, HEALTH EQUITY, HC Waivers		7/01/18 - 6/30/19	2,575,197	Employee and retiree benefits: health, dental, prescription, life, vision and long-term disability.
MML Liability & Property Pool		7/01/18 - 6/30/19	150,524	Workers compensation and employees liability excess insurance policy for self insured 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.