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# Community Impact Comprehensive Annual Financial Report Year Ended June 30, 2017

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# City of Ypsilanti, Michigan

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

## Comprehensive Annual Financial Report

For the Year Ended June 30, 2017

Prepared by:

Marilou Uy, Director of Fiscal Services  
Rheagan Basabica, Accounting Supervisor

# CITY OF YPSILANTI, MICHIGAN

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## INTRODUCTORY SECTION

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## City of Ypsilanti

Office of the City Manager

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November 27, 2017

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

It is my pleasure to submit to you and the citizens of Ypsilanti, the Comprehensive Annual Financial Report (CAFR) of the City of Ypsilanti for the fiscal year ending June 30, 2017. 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 Rehmann Robson LLC.

This report has been formulated following the guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada. Meeting the high standards as set forth in the guidelines of the GFOA can only assist us in improving the financial reporting of the City of Ypsilanti. Wherever possible, the City has made use of grants to help meet the needs of the community. Examples of such grants benefitting the City include:

- FEMA Grant EMW 2015-FR 00513 for fire investigation classes, 2016 DJ-BX 1031 for body cameras,
- Michigan Land Bank Fast Track Authority's Blight Elimination for 2015,
- Local Site Revolving Remediation Revolving Fund clean-up grant,
- CTAP Grant,
- CDBG pass-through Washtenaw County for ADA Ramps CDBG ramps program,
- Special Program for Aging Title III, Part C from Department Health & Human Services, and
- Public Act 283 of 1909 distribution to the City of Ypsilanti for the repairs of Cornell Street between Washtenaw and Huron River Drive, Huron River Drive between Cornell and Ann, and Hamilton Street Between Forest Avenue and West Cross.

Yeo & Yeo, P.C., Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Ypsilanti's financial statements for the year ended June 30, 2017. 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.

*Pride. Diversity. Heritage.*

**One South Huron Street**

**Tel (734) 483-1810**

**[www.CityofYpsilanti.com](http://www.CityofYpsilanti.com) Ypsilanti, MI 48197**

**Fax (734) 483-7260**

## Profile of the Government

The City of Ypsilanti, incorporated in 1858, is located in the southeast region of Michigan's lower peninsula in Washtenaw County, approximately 30 miles west of Detroit, with a population of 19,435. The City is bounded to the north by the Charter Township of Superior and on the west, south and east by the Charter Township of Ypsilanti.

The City is a stable community with many assets – quality residential neighborhoods, good schools, beautiful view of the Huron River, historic downtown and residential neighborhoods, and convenient access to I-94 and Detroit Metropolitan Airport. Annual events and festivals and the presence of Eastern Michigan University, all contribute to the City of Ypsilanti's "small town" sense of community.

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

The City of Ypsilanti provides a full range of services to the community: police, fire, street maintenance, recycling, yard waste removal, elections, emergency preparedness and response, planning, support services and other customer specific services. The City is responsible for the management and financing of these operations. Other services are provided through component units and joint venture entities such as Ypsilanti Downtown Development Authority (YDDA) and Ypsilanti Community Utilities Authority (YCUA).

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

The City maintains 96.5 acres of parkland, including a park system running along the Huron River, and parks and tot lots throughout neighborhoods. While the City does not directly provide recreation programming, it has partnered with many dedicated community groups. These partnerships include friends groups that fundraise for and operate the 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 2.2 percent, which is below the state average (at July 2017, 3.5 percent) and below the national average of 4.4 percent. As the State of Michigan adapts to the challenges of a rapidly globalizing world, community and business leaders have come together like never before to respond. Economic development officials have implemented an aggressive strategy for business growth and expansion within the region offering numerous resources to businesses with financing opportunities. 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 of Ypsilanti has a population of 19,435 according to the 2010 US Census. This is a decline from the census of 2000, which showed a population of 22,237.

The City's state equalized value has decreased 31.76% compared to ten years ago. The City's total equalized value of taxable property for tax year 2016 is approximately \$359 million, an increase of about \$28.4 million, or roughly 8.49% of the prior year.

The City has four tax increment finance (TIF) districts. All four districts were impacted by the decline in taxable property value over the past ten years. Three out of four districts increased taxable value and capture in the last year. Additionally, the State approved a 15-year extension and capture of the Ann Arbor-Ypsilanti SmartZone which will result in over \$340,000 for the City and capture annually for promotion and development of high-tech businesses and corporations in Ypsilanti.

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

## **Long-term Financial Planning**

The City Council and City Manager believe long-term financial planning is essential to ensuring sustainability for our community. Starting in 2001, the City faced declining revenues and began a cost reduction strategy by deferring capital projects and equipment purchases, eliminating the Parks and Recreation Department, combining other departments and positions, and reducing staffing levels. For comparison, during fiscal year 2003, the city maintained a staff of 139.75 full-time equivalent (FTE) positions. In fiscal year 2017, staffing was down to 93 FTEs.

Personnel costs, including pension and other postemployment benefits (OPEBs), also hamper the City's financial condition. This year, the City switched from a self-funded workers' compensation insurance program to the Michigan Municipal League Workers' Compensation Fund, offering the financial stability of regular premiums, a reduction in the insurance programs annual average cost, and a reduction in the overall financial risk to the City. The collective bargaining agreements for all four of the city's unions expired on June 30, 2017, and the City is actively seeking significant changes in new contracts to wage and benefit structures to return compensation packages to fair but financially sustainable levels. In an effort to control skyrocketing healthcare costs, the City is working with Michigan Planners to formulate an affordable health care insurance plan for all eligible participating employees and retirees. Also, the City is facing mounting pension and OPEB costs. This year, the city's required contribution to the Fire and Police Pension Plan increased based on the June 30, 2016, actuarial report. The slight increase in pension millage revenue, combined with substantially rising expenses, pose a significant threat to the City's fiscal condition. The City, under the leadership of its new City Manager, is working to restructure retirement benefits while maintaining core municipal services for the community at sustainable levels.

The Water Street debt severely limits the city's ability to allocate adequate resources to essential services and programs. The 38-acre redevelopment project, bounded by Michigan Avenue on the north and the Huron River on the south and west, continues to face formidable challenges due to the economy. In 2006, the City refunded four bonds and combined them into a \$15.74 million bond called the 2006 Capital Improvement Refunding Taxable Bonds. Originally, debt retirement was to be paid for through tax increment financing by captured growth in taxable value from new development, but development and tax base growth did not occur as planned. As a result, the City was required to use General Fund reserves to pay the annual debt payments. In March 2016, the City refinanced the unpaid bond balance of \$13.245 million for 15 years with a down payment of \$2.255 million and reduced the remaining debt to \$10.44 million, leaving an original bond balance of \$700,000. In July 2016, the City further reduced the old debt to \$230,000. The City intends to eliminate the old debt entirely through payoff in fiscal year 2018, thereby saving the City an estimated \$140,000 in interest costs over the next 14 years. The City placed a proposal on the August 2016 ballot seeking approval for a millage levy to cover the new bond debt costs associated with the Water Street property, and the proposal was rejected by voters. A similar citizen-initiated proposal was placed on the August 2017 ballot, this time the proposal passed to levy 2.3 mills equivalent to \$718,000, to be used for the annual debt service of 2016 refunding bonds Series A AKA Water Street bond debt that will completely mature in fiscal year 2031.

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 between 2003 and 2016 due to the state government's manipulation of statutory revenue sharing payments to municipal governments. At the same time, the State is phasing out certain personal property taxes. 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 state legislature continues to fail to provide full funding under Michigan Public Act 289 of 1977 for fire service cost reimbursement to municipalities with tax-exempt state facilities, resulting in a loss of revenue to the City of approximately \$400,000 annually. The City continues to aggressively lobby state legislators to fix these inequities.

### **Major Initiatives for the Year**

The City was one of eight communities nationwide to receive the SolStar Gold award for superior achievement and promotion of solar energy. Ypsilanti is ranked #1 in the state and in the top ten nationally for solar production per capita. All of the City's municipal facilities have been equipped with solar power including the latest installation at the City Fire Department.

The Michigan Historic Preservation Network awarded the City of Ypsilanti and the Friends of the Freighthouse an Outstanding Project award for the public-private collaboration to rehabilitate the historic Freighthouse. The Freighthouse, one of the original buildings in the city, has been closed and vacant for the past 20 years. After over a half-million dollars of public and private investment, the Freighthouse is a wonderful event and banquet facility managed by a non-for-profit community group.

The City approved a property disposition policy and was able to sell 11 city-owned residential properties thus returning properties to active use, taxable status and eliminating maintenance costs to the City. The City will continue with this initiative. The first new residential construction permit in 12 years was issued as well as the first Neighborhood Enterprise Zone (NEZ) certification. The NEZ program encourages investment in the City's most financial distressed district by freezing property taxes on improvements for 17 years.

The City received, and accepted, a Letter of Interest for the development of the Water Street property. International Village, LLC is creating a development plan for the 36 acres and the creation of an international village for housing of foreign study students, a global marketplace and high-end housing for international and domestic persons. The anticipated development investment exceeds \$200 million. The development plan includes a mixture of domestic and foreign investment.

The City entered into a purchase agreement to sell a five-acre green field lot. The property is riverfront but has several development challenges. The purchaser is a large non-for-profit that provides social services to local youth. A former 11-acre industrial site has been purchased and is being reviewed for a student housing development. A Brownfield TIF request and development approval is anticipated for the next fiscal year.

The City issued a Request for Qualifications for the development of a four-acre residential parcel. Five responses were received. A purchase agreement is anticipated for the next fiscal year. The City has approved a Brownfield TIF plan for the redevelopment of the chronically vacant "Thompson Block" located in the active Depot Town district. The new development is anticipated to cost around \$11 million and will create a new large-scale restaurant and 26 residential living units. The Thompson Block is a historic civil war area barracks development that has been plagued by fire and disinvestment for over 25 years.

The City is committed to reducing its energy consumption as well as reducing its carbon footprint. The City has retrofitted all of its street lights as well as interior lights in city-owned facilities, to LED lights. The City has completed clean energy projects by adding solar panels to several city buildings, funded by donations, in an effort to reduce energy consumption through the use of clean energy. The Ypsilanti Fire Station, through grant funding, has added a solar array on its roof that can produce enough energy to power the entire building. The Public Services Department has budgeted funds to add additional solar panels to the existing solar array to further reduce energy consumption for the entire administrative building. These types of lighting retrofits and solar power projects will help reduce the City's overall energy consumption/lighting expenses, and are part of the City's ongoing initiative to reduce carbon emission in the City of Ypsilanti.

### **Major Initiatives in the Future**

The City of Ypsilanti, 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 of Ypsilanti, Ypsilanti Township, Superior Township, Pittsfield Township and City of Ann Arbor City are part of the "Box Alarm" that is comparable to a second and third alarm. All county fire departments have signed a mutual aid agreement to support each other at no cost.

Specialty teams, such as hazardous materials, technical rescue and swift water rescue, are all 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 county fire departments obtained over \$3,000,000 of equipment grants over the past three years.

One of the City's highest priorities is to attract rail service (commuter Ann Arbor to Detroit and/or inter-city service Pontiac to Chicago) to the City of Ypsilanti. As part of this effort, the City will devote the necessary resources to build a platform that is required so that these services can stop in the City of Ypsilanti in its Depot Town neighborhood.

## Acknowledgements

The preparation of this report on a timely basis was made possible by the dedicated services of Fiscal Services accounting staff and other City departments, as well as from Rehmann Robson LLC. I wish to express my appreciation and acknowledge those who assisted and contributed to the preparation of this report: Marilou Uy, Rheagan Basabica, and the interns from the Fiscal Services Department, and Beth Ernat and Nan Schuette from the Planning Department.

My hope is that you will find this document to be a useful tool in evaluating the City's financial health. Helping you and the public obtain a thorough understanding of the City's financial condition is important to us all. Should you have any questions, comments, concerns, or suggestions regarding this document or the information it contains, Marilou Uy and I are available to respond.

Respectfully submitted,

*{signature omitted for security}*

Darwin McClary,  
City Manager

CITY OF YPSILANTI, MICHIGAN



Government Finance Officers Association

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

Presented to

**City of Ypsilanti  
Michigan**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

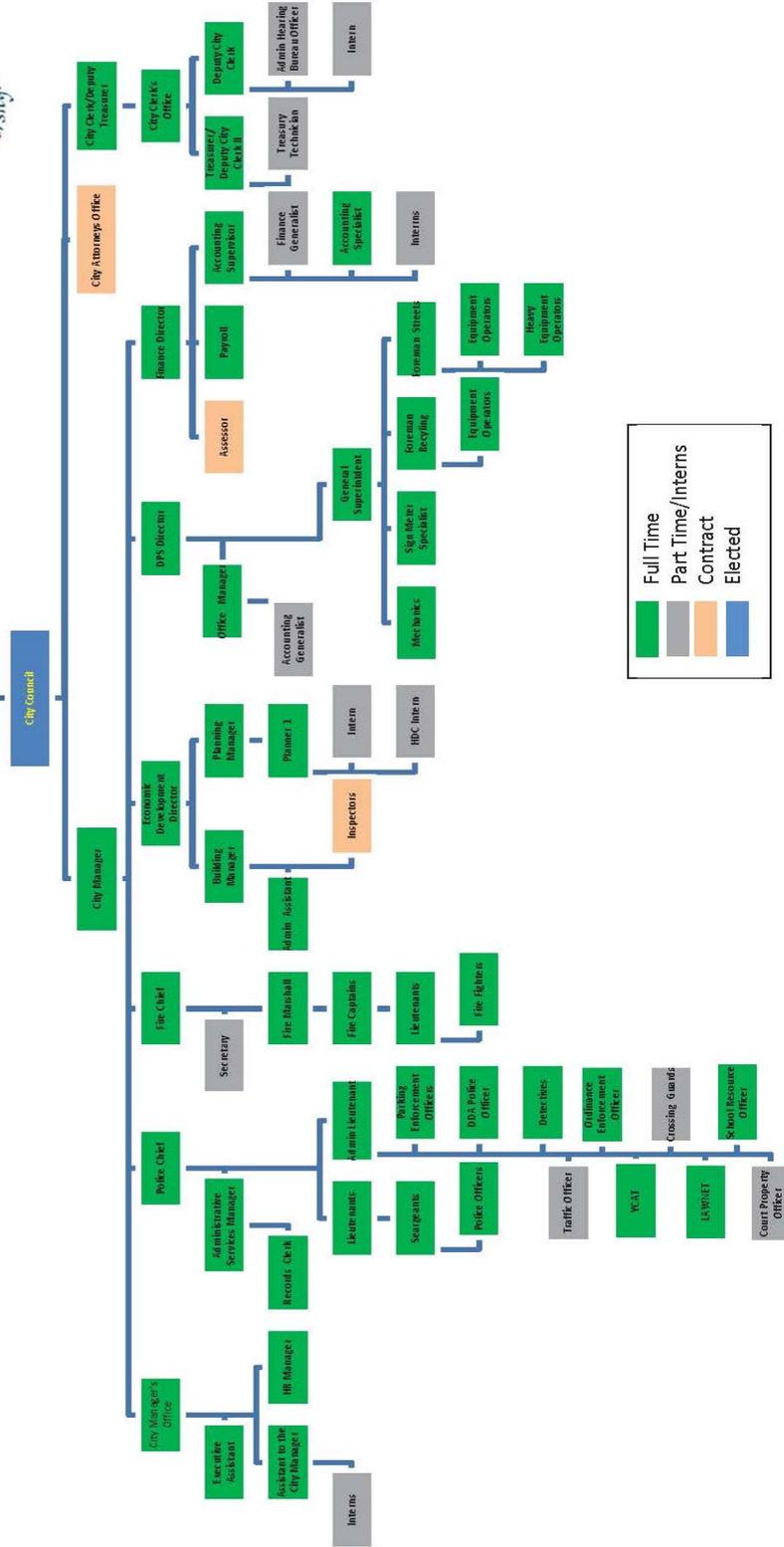
A handwritten signature in black ink, reading "Jeffrey R. Emer".

Executive Director/CEO



# City of Ypsilanti Organizational Chart

Residents of the City of Ypsilanti



	Full Time
	Part Time/Interns
	Contract
	Elected

# CITY OF YPSILANTI, MICHIGAN

## ELECTED OFFICERS

### CITY COUNCIL

Amanda Edmonds  
*Mayor*

Nicole Brown  
*Mayor Pro-Tem*

Beth Bashert  
Peter Murdock  
Lois Richardson

Brian Robb  
Daniel Vogt

### Administration - Appointed Officials and Senior Management

Darwin McClary  
*City Manager*

Frances McMullan  
*City Clerk*

Marilou Uy  
*Director of Fiscal Services*

Max Anthouard  
*Fire Chief*

Stan Kirton  
*Director of Public Services*

Tony DeGiusti  
*Police Chief*

Kimberly Teamer  
*City Treasurer*

Beth Emat  
*Director of Economic Development*

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## FINANCIAL SECTION

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## **Independent Auditors' Report**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ypsilanti, Michigan (the City), as of and for the year ended June 30, 2017, 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.

### ***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 above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ypsilanti, Michigan, as of June 30, 2017, and the respective changes in financial position, budgetary comparison for the General Fund, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters:**

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and other post-employment benefit schedules, as identified 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 Supplementary Information***

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

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

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

*Yeo & Yeo, P.C.*

Ann Arbor, MI  
November 27, 2017

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

# CITY OF YPSILANTI, MICHIGAN

## Management's Discussion and Analysis

As management of the *City of Ypsilanti, Michigan*, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, as listed in the table of contents.

### Financial Highlights

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended June 30, 2017.

- The assets and deferred outflows of resources of the City exceeded its liabilities at the close of the most recent fiscal year by \$5,814,410 (net position). This amount is net of a deficit of \$13,668,755 in unrestricted net position. The City has no business-type activities and therefore reports only governmental activities in its government-wide financial statements.
- The government's total net position decreased by \$2,544,485.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$12,126,951, a decrease of \$1,437,804 over the prior year. Approximately 33.0 percent of this total amount, or \$3,996,055 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,996,055 or 29.1% of total general fund expenditures and other financing uses.
- The City total bonded debt decreased by \$5,435,000 during the current year.

### Overview of the Financial Statements

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

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

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

The *statement of activities* presents information shows how the government's net assets changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the City include general government, public safety, public works, highways and streets, culture and recreation and community development.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also legally separate entities for which the City is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

# CITY OF YPSILANTI, MICHIGAN

## Management's Discussion and Analysis

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

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental funds.* *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 24 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, capital improvements reserve capital projects fund, 2006 general obligation capital projects fund, and 2013 revenue refunding bonds capital projects fund, which are considered to be major funds. Data from the other 21 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

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

*Proprietary funds.* The City has one type of proprietary fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its motor pool, workers' compensation self-insurance, and retiree benefits. Because these services benefit governmental functions, they have been included within *governmental activities* in the government-wide financial statements.

All of the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

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

*Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as listed in the table of contents.

# CITY OF YPSILANTI, MICHIGAN

## Management's Discussion and Analysis

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This is limited to schedules concerning the City's progress in funding its obligation to provide pension benefits to its police and fire employees, pension benefits to employees participating in the MERS plan, and other postemployment benefits. Required supplementary information can be found as listed in the table of contents.

The combined statements referred to earlier in connection with nonmajor, internal service and fiduciary funds are presented immediately following the required supplementary information. Combined and individual fund financial statements and schedules can be found as listed in the table of contents.

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Ypsilanti, assets and deferred outflows of resources exceeded liabilities by \$5,814,410 at the close of the most recent fiscal year as shown in the following table (which shows, in a condensed format, the net position as of fiscal year end 2017 and compared to the prior fiscal year):

	Net Position	
	Governmental Activities	
	2017	2016
<b>Assets</b>		
Current and other assets	\$41,369,920	\$44,496,182
Capital assets	<u>20,404,045</u>	<u>21,986,956</u>
<b>Total assets</b>	<u>61,773,965</u>	<u>66,483,138</u>
Deferred outflows of resources	<u>2,532,780</u>	<u>5,094,218</u>
<b>Liabilities</b>		
Long-term liabilities outstanding	36,797,090	41,689,602
Other liabilities	<u>21,003,363</u>	<u>21,528,859</u>
<b>Total liabilities</b>	<u>57,800,453</u>	<u>63,218,461</u>
Deferred inflows of resources	<u>691,882</u>	<u>-</u>
<b>Net position</b>		
Net investment in capital assets	16,659,020	18,147,399
Restricted	2,824,145	3,204,405
Unrestricted (deficit)	<u>(13,668,755)</u>	<u>(12,992,909)</u>
<b>Total net position</b>	<u>\$ 5,814,410</u>	<u>\$ 8,358,895</u>

By far the largest portion of the City's net position (286.5% or \$16,659,020) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment, systems and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

# CITY OF YPSILANTI, MICHIGAN

## Management's Discussion and Analysis

Additionally, a portion of the City's net position (48.6% or \$2,824,145) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (a deficit of \$13,668,755) represents the extent to which accrual basis non-capital liabilities exceed assets after taking into account restrictions.

	Changes in Net Position	
	Governmental Activities	
	2017	2016
Revenue		
Program revenue:		
Charges for services	\$ 2,779,735	\$ 3,023,987
Operating grants and contributions	2,547,760	6,574,946
Capital grants and contributions	59,983	1,525,918
General revenue:		
Property taxes	10,582,364	10,452,347
Grants and contributions not restricted to specific programs	3,033,942	2,555,299
Other	68,510	242,763
<b>Total revenue</b>	<b>19,072,294</b>	<b>24,375,260</b>
Expenses		
General government	3,084,786	4,294,933
Public safety	8,961,050	10,198,973
Public works	1,925,326	2,034,380
Highways, streets and bridges	3,825,640	3,049,680
Culture and recreation	1,095,758	911,753
Community development	454,835	404,780
Public transportation	282,793	316,471
Interest on long-term debt	1,218,241	1,654,899
<b>Total expenses</b>	<b>20,848,429</b>	<b>22,865,869</b>
Special item		
Change in fair value of land held for resale	(768,350)	-
<b>Change in net position</b>	<b>(2,544,485)</b>	<b>1,509,391</b>
Net position:		
Beginning of year	8,358,895	6,849,504
<b>End of year</b>	<b>\$ 5,814,410</b>	<b>\$ 8,358,895</b>

The City's total net position decreased by 30.4% from the prior year.

# CITY OF YPSILANTI, MICHIGAN

## Management's Discussion and Analysis

### Financial Analysis of the City's Governmental Funds

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

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$12,126,951, a decrease of \$1,437,804 from the prior year. Approximately 33.0% of this total amount (or \$3,996,055) constitutes unassigned fund balance, which is available for spending at the government's discretion. Of the remainder, \$336,731 represents nonspendable fund balance, \$3,106,870 is restricted and \$4,687,295 is committed.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance for the general fund was \$5,964,919. Of this amount \$336,731 represents inventory, prepaid items and land held for resale rendering it nonspendable, and \$1,632,133 is committed for vested employee benefits, Water Street bond payments, an energy efficiency project and other uses as seen in the notes to the financial statements. As a measure of the general fund's liquidity it may be useful to compare unassigned fund balance to the total general fund expenditures; \$3,996,055 of the general fund's fund balance is unassigned, which represents 29.1% of total general fund expenditures and other financing uses. Overall, the fund balance of the general fund increased by \$152,397 for the year, which was \$686,222 more than budgeted.

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

- In total, general fund expenditures were \$612,369 under budget. This included significant amounts under budget for the general government (\$218,704), public safety (\$231,664), parks and recreation (\$20,628), public works (\$39,798), unallocated employee benefits (\$70,525) and tax tribunal refunds (\$31,050). The primary reasons for these departments finishing under budget is due to the timing on certain projects and not filling the budgeted positions.
- Compared to the prior year actuals, general fund revenue was up by \$58,155. The increase included taxes and special assessments (\$122,627), licenses and permits (\$76,508), Intergovernmental revenues (\$176,184), charges for services (\$163,940), and fines and forfeits (\$90,148). The decrease included investment earnings (\$118,748), and other revenues (\$452,504).

The capital improvement reserve capital projects fund had an ending fund balance of \$47,033, all of which was committed for capital equipment.

The 2006 general obligation capital projects fund had an ending fund balance of \$1,131,950 that represents land held for resale, which is therefore reported as committed.

The 2013 revenue refunding bonds capital projects fund had an ending fund balance of \$1,625,141, all of which was committed for capital projects and debt service.

# CITY OF YPSILANTI, MICHIGAN

## Management's Discussion and Analysis

### General Fund Budgetary Highlights

The difference between the original and final amended budget for expenditures was a decrease of \$39,107. The major increases are: public works (\$17,352) and parks and recreation (\$247,382 which was due to an increase of contractual services for the Michigan Blight Elimination grant), and unallocated employee benefits (\$120,501 which was due to the pay-out of benefit to employees that retired. The major decreases are in general government (\$113,285) due to employees turnover and not filling up the position sooner), public safety (\$160,695 which was primarily due to reduction in personnel cost for hiring from tier 1 to tier 2 employees and not filling the vacant positions in the police department), and tax tribunal refund (\$20,362 which was lower this year). Other differences between the original and final amended budget for revenues and expenditures were generally distributed across various captions/departments.

The City amended the budget to take into account various events occurring during the year. Revenue was \$813,509 more than the original budget due to the MNRTF grant reimbursement (\$329,490); increase in parking ticket revenue (\$90,000); increase in building, electrical, heating, and plumbing permits (\$98,000); increase in administrative hearing bureau collection (\$25,000); local site revolving remediation fund (LSRRF) grant (\$120,000); CDBG Grant for tot lot equipment (\$35,000); Michigan Blight Elimination grant (\$120,833); and other increases across various departments.

### Capital Assets and Debt Administration

*Capital Assets.* At the end of fiscal 2017, the City had \$20,404,045 invested in a broad range of net capital assets including land, land improvements, buildings and improvements, sidewalks, roads, police and fire equipment, vehicles, and other types of equipment.

	Capital Assets (Net of depreciation)	
	Governmental Activities	
	2017	2016
Land	\$ 1,358,840	\$ 1,358,840
Infrastructure	12,811,723	14,287,830
Buildings and improvements	4,060,426	4,279,440
Vehicles and equipment	2,043,864	1,908,826
Construction in progress	129,192	152,020
<b>Total</b>	<b>\$20,404,045</b>	<b>\$21,986,956</b>

Major capital asset events during the current fiscal year included:

- Purchased new engine pumper for the fire department (\$450,440).
- Acquired 50 Kramer land (\$4,638).
- Construction of Prospect and Michigan Avenue traffic safety project (\$143,206).
- Construction of mid-block crossing on Michigan Avenue to the Rivers Edge Linear Park trail on Water Street redevelopment area (\$121,019).
- Construction of mid-block crossing on Cross Street and Oakwood (\$24,259).
- Railroad at grade closure on Grove and Park Street (\$386,474).

# CITY OF YPSILANTI, MICHIGAN

## Management's Discussion and Analysis

- Replacement and construction of gas storage tank at Department of Public Works (\$122,500).
- Construction of solar equipment at the Fire Department (\$44,738).
- Design engineering of rail platform and approach (\$50,533).

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

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$34,216,984. Of this amount, \$11,810,000 is comprised of debt backed by the full faith and credit of the government. The remainder of the City's bonded debt represents bonds secured solely by specified revenue sources.

	General Obligation and Revenue Bonds	
	Governmental activities	
	2017	2016
General obligation bonds	\$ 11,810,000	\$ 14,160,000
Revenue bonds	<u>22,406,984</u>	<u>25,491,984</u>
<b>Total</b>	<b><u>\$ 34,216,984</u></b>	<b><u>\$ 39,651,984</u></b>

On February 6, 2017, Moody's Investor Service assigned an A2 rating to the \$9.92M outstanding debt of the General Obligation Limited Tax, 2016 Series A and 2016 Series B bonds.

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

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

Revenues for all funds are budgeted to be \$14,086,300 lower than the current fiscal year amended budget. The Michigan Blight Elimination Program (\$158,442) ended in fiscal 2016-17. The Building Healthy Community grants -- Come Out and Play (2,911), Walk With Ease (\$1,590), and Park Improvements (\$24,256) -- all ended this year. The 2010 GOUT Refunding Bonds (\$687,276) were fully paid and the 2006 Water and Sewer refunding bonds (\$440,612) were refunded and became 2016 Series Water and Sewer Refunding Bonds this current fiscal year (\$9,765,380). Projects in Major Streets that were completed this fiscal year were valued at \$674,958. The City expects property values to increase by 1.009% net of the under \$40,000 taxable value of personal properties. The City's operating mill for tax year 2017 has been reduced from 18.9069 to 18.7386 due to millage rollback, resulting in the loss of \$84,000 in tax revenue for fiscal 2017-18. The City continues to look for many options to reduce costs or increase revenues. Some of the measures to be implemented are reducing police personnel from 33 to 31; reducing fire personnel from 19 to 16; eliminating the paid internship program; increasing parking ticket revenue and delaying planned capital projects. 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 20% of the medical cost.

The City's spending budget for all funds for next fiscal year is \$14,723,198 less than the current year amended budget. Most of the listed projects last year were completed. Among the major projects are: the Prospect Michigan Avenue traffic safety projects; urgent road repair; midblock crossing on Michigan Avenue and Water Street Redevelopment Area Linear Park Trail; midblock crossing on Cross Street and Oakwood; railroad at grade closure on Grove and Park street; rail platform and approach; solar panels at Fire Department; LED lights conversion; and various improvements of City buildings. Other projects were cut or delayed for fiscal 2017-18 and future years.

## CITY OF YPSILANTI, MICHIGAN

### ■ Management's Discussion and Analysis

#### Contacting the City's Management

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

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## BASIC FINANCIAL STATEMENTS

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## GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF YPSILANTI, MICHIGAN

Statement of Net Position

June 30, 2017

	Primary Government	
	Governmental Activities	Component Units
<b>Assets</b>		
Cash and cash equivalents	\$ 6,003,023	\$ 396,228
Investments	8,616,700	-
Receivables	21,423,267	28,163
Prepaid items and other assets	1,621,751	500
Other noncurrent assets:		
Net pension asset	3,705,179	-
Capital assets not being depreciated	1,488,032	53,200
Capital assets being depreciated, net	18,916,013	1,793,941
<b>Total assets</b>	<b>61,773,965</b>	<b>2,272,032</b>
<b>Deferred outflows of resources</b>		
Deferred pension amounts	2,516,140	-
Deferred charge on refunding	16,640	-
<b>Total deferred outflows of resources</b>	<b>2,532,780</b>	<b>-</b>
<b>Liabilities</b>		
Accounts payable and accrued expenses	1,483,298	47,288
Due to other governments	2,581	-
Unearned revenue	45,072	-
Other noncurrent liabilities:		
Net pension liability	19,384,949	-
Net postemployment benefits obligation	87,463	-
Long-term liabilities:		
Due within one year	4,000,510	60,000
Due in more than one year	32,796,580	440,000
<b>Total liabilities</b>	<b>57,800,453</b>	<b>547,288</b>
<b>Deferred inflows of resources</b>		
Deferred pension amounts	512,738	-
Deferred gain on refunding	179,144	-
<b>Total deferred inflows of resources</b>	<b>691,882</b>	<b>-</b>
<b>Net position</b>		
Net investment in capital assets	16,659,020	1,347,141
Restricted for:		
Highways and streets	2,009,105	-
Drug law enforcement	82,681	-
Public transportation	3	-
Debt service	732,356	-
Unrestricted (deficit)	(13,668,755)	377,603
<b>Total net position</b>	<b>\$ 5,814,410</b>	<b>\$ 1,724,744</b>

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

CITY OF YPSILANTI, MICHIGAN

Statement of Activities

For the Year Ended June 30, 2017

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
General government	\$ 3,084,786	\$ 1,738,729	\$ 197,084	\$ 44,610	\$ (1,104,363)
Public safety	8,961,050	1,041,006	5,061	7,873	(7,907,110)
Public works	1,925,326	-	-	-	(1,925,326)
Highways, streets and bridges	3,825,640	-	2,143,232	-	(1,682,408)
Culture and recreation	1,095,758	-	25,125	7,500	(1,063,133)
Community development	454,835	-	-	-	(454,835)
Public transportation	282,793	-	-	-	(282,793)
Interest on long-term debt	1,218,241	-	177,258	-	(1,040,983)
<b>Total primary government</b>	<b>\$ 20,848,429</b>	<b>\$ 2,779,735</b>	<b>\$ 2,547,760</b>	<b>\$ 59,983</b>	<b>\$ (15,460,951)</b>
Component units					
Community/economic development	\$ 390,400	\$ -	\$ -	\$ -	\$ (390,400)

continued...

# CITY OF YPSILANTI, MICHIGAN

## Statement of Activities

For the Year Ended June 30, 2017

	Primary Government	
	Governmental Activities	Component Units
Changes in net position		
Net expense	\$ (15,460,951)	\$ (390,400)
General revenues:		
Property taxes	10,582,364	334,880
Grants and contributions not restricted to specific programs	3,033,942	59,233
Unrestricted investment earnings	68,510	2,294
Total general revenues	13,684,816	396,407
Special item		
Change in fair value of land held for resale	(768,350)	-
Change in net position	(2,544,485)	6,007
Net position, beginning of year	8,358,895	1,718,737
Net position, end of year	\$ 5,814,410	\$ 1,724,744

concluded.

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

## FUND FINANCIAL STATEMENTS

CITY OF YPSILANTI, MICHIGAN

**Balance Sheet**  
 Governmental Funds  
 June 30, 2017

	General	Capital Improvement Reserve	2006 General Obligation	2013 Revenue Refunding Bonds	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 924,869	\$ 24,772	\$ -	\$ -	\$ 2,351,573	\$ 3,301,214
Investments	4,889,724	-	-	1,625,141	824,706	7,339,571
Accounts receivable	153,693	56,472	-	10,381	22,527	243,073
Land held for resale	20,326	-	1,131,950	-	-	1,152,276
Special assessments receivable	64,006	-	-	-	-	64,006
Due from other funds	16,849	-	-	-	-	16,849
Due from other governments	568,340	12,313	-	-	317,974	898,627
Prepaid items	98,520	-	-	-	-	98,520
Inventory	217,885	-	-	-	-	217,885
<b>Total assets</b>	<b>\$ 6,954,212</b>	<b>\$ 93,557</b>	<b>\$ 1,131,950</b>	<b>\$ 1,635,522</b>	<b>\$ 3,516,780</b>	<b>\$ 13,332,021</b>
<b>Liabilities</b>						
Accounts payable	\$ 253,726	\$ 4,903	\$ -	\$ 10,381	\$ 129,514	\$ 398,524
Accrued liabilities	427,309	-	-	-	7,590	434,899
Due to other funds	-	16,849	-	-	-	16,849
Due to other governments	-	-	-	-	2,581	2,581
Tax refunds payable	69,816	-	-	-	19,187	89,003
Unearned revenue	20,300	24,772	-	-	-	45,072
<b>Total liabilities</b>	<b>771,151</b>	<b>46,524</b>	<b>-</b>	<b>10,381</b>	<b>158,872</b>	<b>986,928</b>
<b>Deferred inflows of resources</b>						
Unavailable revenue	218,142	-	-	-	-	218,142
<b>Fund balances</b>						
<b>Nonspendable:</b>						
Prepaid items	98,520	-	-	-	-	98,520
Inventory	217,885	-	-	-	-	217,885
Land held for resale	20,326	-	-	-	-	20,326
<b>Restricted for:</b>						
Major and local streets	-	-	-	-	2,009,105	2,009,105
Drug law enforcement	-	-	-	-	82,681	82,681
Public transportation	-	-	-	-	3	3
Debt service	-	-	-	-	1,015,081	1,015,081
<b>Committed for:</b>						
Various purposes (Note 13)	1,632,133	-	-	-	-	1,632,133
Capital projects	-	47,033	-	1,625,141	251,038	1,923,212
Land held for resale	-	-	1,131,950	-	-	1,131,950
Unassigned	3,996,055	-	-	-	-	3,996,055
<b>Total fund balances</b>	<b>5,964,919</b>	<b>47,033</b>	<b>1,131,950</b>	<b>1,625,141</b>	<b>3,357,908</b>	<b>12,126,951</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 6,954,212</b>	<b>\$ 93,557</b>	<b>\$ 1,131,950</b>	<b>\$ 1,635,522</b>	<b>\$ 3,516,780</b>	<b>\$ 13,332,021</b>

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

# CITY OF YPSILANTI, MICHIGAN

## Reconciliation

Fund Balances for Governmental Funds  
to Net Position of Governmental Activities  
June 30, 2017

Fund balances - total governmental funds	\$ 12,126,951
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets	56,196,056
Accumulated depreciation	(37,547,516)
Deferred inflows of resources in governmental funds are susceptible to full accrual in the government-wide statements	
	218,142
For a bond refunding, the difference between the reacquisition price and the value of the refunded debt is capitalized and amortized over the shorter of the remaining years on the refunded or refunding bonds.	
Deferred charge on refunding	16,640
Deferred gain on refunding	(179,144)
An internal service fund is used by management to charge the costs of certain equipment usage, insurance and benefits to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	
Net position of governmental activities accounted for in internal service funds	5,550,760
Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Other noncurrent assets - net pension asset	3,705,179
Other noncurrent assets - other postemployment benefits	(87,463)
Other noncurrent liabilities - net pension liability	(19,384,949)
Amortized deferred outflow of resources for pension	2,516,140
Amortized deferred inflow of resources for pension	(512,738)
Bonds and purchase agreements payable	(34,556,984)
Bond premium	(1,377,192)
Leases receivable from joint venture entity for debt-financed property	20,184,419
Accrued interest on bonds payable	(282,725)
Compensated absences	(771,166)
	<hr/>
Net position of governmental activities	<u><u>\$ 5,814,410</u></u>

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

CITY OF YPSILANTI, MICHIGAN

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
 Governmental Funds  
 For the Year Ended June 30, 2017

	General	Capital Improvement Reserve	2006 General Obligation	2013 Revenue Refunding Bonds	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes and special assessments	\$ 8,135,265	\$ -	\$ -	\$ -	\$ 2,447,099	\$ 10,582,364
Licenses and permits	812,913	-	-	-	68,020	880,933
Intergovernmental	3,123,065	32,500	-	1,234,275	3,842,811	8,232,651
Charges for services	635,838	-	-	-	-	635,838
Fines and forfeits	446,318	-	-	-	-	446,318
Investment earnings	26,254	124	-	1,974	14,289	42,641
Other revenues	686,510	-	-	-	83,286	769,796
<b>Total revenues</b>	<b>13,866,163</b>	<b>32,624</b>	<b>-</b>	<b>1,236,249</b>	<b>6,455,505</b>	<b>21,590,541</b>
<b>Expenditures</b>						
<b>Current:</b>						
General government	2,408,251	-	-	-	-	2,408,251
Public safety	7,814,914	23,354	-	-	14,863	7,853,131
Public works	597,413	15,597	-	203,837	180,811	997,658
Refuse collection	-	-	-	-	884,179	884,179
Highways, streets and bridges	-	-	-	-	2,229,228	2,229,228
Parks and recreation	655,732	392,373	-	-	-	1,048,105
Public transportation	-	-	-	-	282,327	282,327
Unallocated employee benefits	886,100	-	-	-	-	886,100
Tax tribunal refunds	(2,412)	-	-	-	(9,124)	(11,536)
<b>Debt service:</b>						
Principal	-	-	480,000	1,015,000	2,775,000	4,270,000
Interest and fiscal charges	-	-	22,019	219,275	1,171,258	1,412,552
Bond issuance costs	-	-	-	-	153,418	153,418
<b>Total expenditures</b>	<b>12,359,998</b>	<b>431,324</b>	<b>502,019</b>	<b>1,438,112</b>	<b>7,681,960</b>	<b>22,413,413</b>
<b>Revenues over (under) expenditures</b>	<b>1,506,165</b>	<b>(398,700)</b>	<b>(502,019)</b>	<b>(201,863)</b>	<b>(1,226,455)</b>	<b>(822,872)</b>
<b>Other financing sources (uses)</b>						
Issuance of refunding bonds	-	-	-	-	8,455,000	8,455,000
Payment to refunding bond escrow agent	-	-	-	-	(9,423,777)	(9,423,777)
Premium on refunding bonds	-	-	-	-	1,122,195	1,122,195
Transfers in	-	395,732	24,833	-	1,189,984	1,610,549
Transfers out	(1,353,768)	-	-	-	(256,781)	(1,610,549)
<b>Total other financing sources (uses)</b>	<b>(1,353,768)</b>	<b>395,732</b>	<b>24,833</b>	<b>-</b>	<b>1,086,621</b>	<b>153,418</b>
<b>Special item</b>						
Change in fair value of land held for resale	-	-	(768,350)	-	-	(768,350)
<b>Net changes in fund balances</b>	<b>152,397</b>	<b>(2,968)</b>	<b>(1,245,536)</b>	<b>(201,863)</b>	<b>(139,834)</b>	<b>(1,437,804)</b>
<b>Fund balances, beginning of year</b>	<b>5,812,522</b>	<b>50,001</b>	<b>2,377,486</b>	<b>1,827,004</b>	<b>3,497,742</b>	<b>13,564,755</b>
<b>Fund balances, end of year</b>	<b>\$ 5,964,919</b>	<b>\$ 47,033</b>	<b>\$ 1,131,950</b>	<b>\$ 1,625,141</b>	<b>\$ 3,357,908</b>	<b>\$ 12,126,951</b>

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

# CITY OF YPSILANTI, MICHIGAN

## Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Governmental Activities  
For the Year Ended June 30, 2017

Net change in fund balances - total governmental funds \$ (1,437,804)

Amounts reported for *governmental activities* in the statement of activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in the  
statement of activities, the cost of those assets is allocated over their estimated  
useful lives and reported as depreciation expense.

Capital outlay expenditures	1,079,590
Depreciation expense	(2,673,798)

Bond proceeds provide current financial resources to governmental funds in the period  
issued, but issuing bonds increases long-term liabilities in the statement of net position.  
Repayment of bond principal is an expenditure in the governmental funds, but the  
repayment reduces long-term liabilities in the statement of net position.

Refunding and revenue bond proceeds	(8,455,000)
Payment to refunding bond escrow agent	9,423,777
Premium received on refunding and revenue bonds	(1,122,195)
Principal payments on long-term liabilities	4,270,000
Change in leases receivable for debt-financed property	(2,649,362)

An internal service fund is used by management to charge the costs of certain  
equipment usage, insurance and benefits to individual funds. The net revenue (expense)  
attributable to those funds is reported with governmental activities.

Operating loss of government internal service funds	(23,929)
Investment income in government internal service funds	25,994
Gain on sale of capital assets in government internal service funds	32,603
Interest expense in governmental internal service funds	(3,465)

Revenues in the statement of activities that do not provide financial resources are not  
reported as revenue in the funds.

Unavailable revenues for uncollected parking tickets, net	105,121
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Some expenses reported in the statement of activities do not require the use of current  
financial resources and therefore are not reported as expenditures in the funds.

Change in other noncurrent assets for other postemployment benefits assets	(42,437)
Change in other noncurrent liabilities for net pension liability	(1,684,969)
Change in accrued interest payable on bonds	70,647
Change in the accrual for compensated absences	413,613
Amortization of bond premium	143,771
Amortization of deferred charge on refunding	(16,642)

Change in net position of governmental activities \$ (2,544,485)

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

# CITY OF YPSILANTI, MICHIGAN

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

Budget and Actual - General Fund  
For the Year Ended June 30, 2017

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
<b>Revenues</b>				
Taxes and special assessments	\$ 8,100,745	\$ 8,158,907	\$ 8,135,265	\$ (23,642)
Licenses and permits	727,385	787,211	812,913	25,702
Intergovernmental	2,666,266	3,274,410	3,123,065	(151,345)
Charges for services	604,000	605,033	635,838	30,805
Fines and forfeits	347,000	417,000	446,318	29,318
Investment earnings	79,855	25,440	26,254	814
Other revenues	592,071	662,830	686,510	23,680
<b>Total revenues</b>	<b>13,117,322</b>	<b>13,930,831</b>	<b>13,866,163</b>	<b>(64,668)</b>
<b>Expenditures</b>				
General government:				
City council	114,999	101,686	102,249	563
City manager	304,331	238,299	227,602	(10,697)
Community services	19,300	24,140	24,786	646
Elections	76,299	95,043	87,383	(7,660)
Accounting	409,629	385,821	383,791	(2,030)
Assessing	84,668	88,619	84,442	(4,177)
General legal	223,000	223,000	220,000	(3,000)
Litigation and appeals	92,000	102,000	86,672	(15,328)
Personnel legal	30,000	40,000	8,056	(31,944)
City clerk	210,966	125,076	125,269	193
Human resources	153,528	93,967	97,045	3,078
Treasurer	143,803	150,514	146,687	(3,827)
Public building maintenance	588,526	376,276	354,159	(22,117)
Planning and development	289,191	582,514	460,110	(122,404)
<b>Total general government</b>	<b>2,740,240</b>	<b>2,626,955</b>	<b>2,408,251</b>	<b>(218,704)</b>
Public safety:				
Police	5,040,025	4,671,941	4,450,230	(221,711)
Fire	2,718,700	2,921,066	2,935,889	14,823
Ordinance enforcement	62,472	56,222	44,290	(11,932)
Building inspection	386,076	397,349	384,505	(12,844)
<b>Total public safety</b>	<b>8,207,273</b>	<b>8,046,578</b>	<b>7,814,914</b>	<b>(231,664)</b>

continued...

# CITY OF YPSILANTI, MICHIGAN

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

Budget and Actual - General Fund  
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Expenditures (Concluded)				
Public works:				
Public works department	\$ 195,359	\$ 228,061	\$ 195,876	\$ (32,185)
Street lighting	424,500	409,150	401,537	(7,613)
Total public works	619,859	637,211	597,413	(39,798)
Parks and recreation	428,978	676,360	655,732	(20,628)
Community development	130,000	-	-	-
Unallocated employee benefits	836,124	956,625	886,100	(70,525)
Tax tribunal refunds	49,000	28,638	(2,412)	(31,050)
Total expenditures	13,011,474	12,972,367	12,359,998	(612,369)
Revenues over expenditures	105,848	958,464	1,506,165	547,701
Other financing sources (uses)				
Transfers out	(1,628,854)	(1,492,289)	(1,353,768)	138,521
Net change in fund balance	(1,523,006)	(533,825)	152,397	686,222
Fund balance, beginning of year	5,812,522	5,812,522	5,812,522	-
Fund balance, end of year	\$ 4,289,516	\$ 5,278,697	\$ 5,964,919	\$ 686,222

concluded.

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

# CITY OF YPSILANTI, MICHIGAN

## Statement of Net Position

Proprietary Funds - Internal Service Funds  
June 30, 2017

	Total
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 2,701,809
Investments	1,277,129
Accounts receivable	33,142
Inventory	25,633
Prepaid items	127,437
	<hr/>
Total current assets	4,165,150
Noncurrent assets - capital assets, net	1,755,505
	<hr/>
<b>Total assets</b>	<b>5,920,655</b>
	<hr/>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable and accrued liabilities	20,184
Current portion of capital leases payable	21,950
Current portion of claims payable	154,778
	<hr/>
Total current liabilities	196,912
	<hr/>
Noncurrent liabilities:	
Capital leases payable, net	69,798
Claims payable, net	103,185
	<hr/>
Total noncurrent liabilities	172,983
	<hr/>
<b>Total liabilities</b>	<b>369,895</b>
	<hr/>
<b>Net position</b>	
Investment in capital assets	1,663,757
Unrestricted	3,887,003
	<hr/>
<b>Total net position</b>	<b>\$ 5,550,760</b>
	<hr/> <hr/>

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

# CITY OF YPSILANTI, MICHIGAN

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

Proprietary Funds - Internal Service Funds  
For the Year Ended June 30, 2017

	Total
Operating revenues	
Charges for services	\$ 2,288,360
Operating expenses	
Salaries, taxes and benefits	195,629
Gas, oil and fuel	92,479
Depreciation	439,145
Operation and maintenance	138,646
Contractual services and fees	111,666
Insurance and other	65,003
Benefits and claims	1,269,721
Total operating expenses	2,312,289
Operating income (loss)	(23,929)
Nonoperating revenues	
Investment income	25,994
Interest expense	(3,465)
Gain on sale of equipment	32,603
Total nonoperating revenues	55,132
Change in net position	31,203
Net position, beginning of year	5,519,557
Net position, end of year	\$ 5,550,760

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

# CITY OF YPSILANTI, MICHIGAN

## Statement of Cash Flows

Proprietary Funds - Internal Service Funds  
For the Year Ended June 30, 2017

	Total
Cash flows from operating activities	
Cash received from interfund services	\$ 2,282,526
Cash payments to employees	(195,629)
Cash payments for claims	(1,352,952)
Cash payments to suppliers for goods and services	(464,696)
	<hr/>
Net cash provided by operating activities	269,249
	<hr/>
Cash flows from capital and related financing activities	
Purchase of capital assets	(450,440)
Principal paid on capital lease	(21,324)
Interest paid on capital lease	(3,465)
Proceeds from sale of capital assets	32,603
	<hr/>
Net cash used in capital and related financing activities	(442,626)
	<hr/>
Cash flows from investing activities	
Redemption of investments	(918,090)
Investment income	25,994
	<hr/>
Net cash used in investing activities	(892,096)
	<hr/>
Change in cash and cash equivalents	(1,065,473)
	<hr/>
Cash and cash equivalents, beginning of year	3,767,282
	<hr/>
Cash and cash equivalents, end of year	\$ 2,701,809
	<hr/> <hr/>

continued...

# CITY OF YPSILANTI, MICHIGAN

## Statement of Cash Flows

Proprietary Funds - Internal Service Funds  
For the Year Ended June 30, 2017

	Total
Reconciliation of operating loss to net cash used in operating activities	
Operating loss	\$ (23,929)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	439,145
Changes in:	
Accounts receivable	(5,834)
Inventory	(3,262)
Prepaid items	(54,581)
Accounts payable and accrued liabilities	(5,429)
Claims payable	<u>(76,861)</u>
Net cash provided by operating activities	<u>\$ 269,249</u>
Noncash	
Capital contributions	<u>\$ -</u>
	concluded.

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

# CITY OF YPSILANTI, MICHIGAN

## Statement of Fiduciary Net Position

Fiduciary Funds - Police and Fire Retirement System Trust Fund

June 30, 2017

Assets	
Cash and cash equivalents	\$ 1,208,763
Investments:	
U.S. agencies	1,898,091
Corporate bonds	4,370,001
Domestic equities	14,455,556
International equities	828,992
Mutual funds	5,264,531
Real estate investment trusts	383,153
Money market accounts	247,551
	<hr/>
Total assets	28,656,638
	<hr/>
Liabilities	
Accounts payable	1,997,392
	<hr/>
Net position	
Restricted for pension benefits	\$ 26,659,246
	<hr/> <hr/>

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

## CITY OF YPSILANTI, MICHIGAN

### Statement of Changes in Fiduciary Net Position

Fiduciary Funds - Police and Fire Retirement System Trust Fund  
For the Year Ended June 30, 2017

#### Additions

##### Investment income:

Net appreciation in fair value of investments	\$ 2,100,512
Interest and dividends	621,429
Less investment management fees	<u>(102,016)</u>

Net investment income 2,619,925

##### Contributions:

City of Ypsilanti	1,355,989
Participants	<u>208,502</u>

Total contributions 1,564,491

Total additions 4,184,416

#### Deductions

Participant benefits	3,552,118
Participant refunds	1,033,846
Administrative expenses	<u>72,546</u>

Total deductions 4,658,510

Net change to net position restricted for pension benefits (474,094)

Net position restricted for pension benefits, beginning of year 27,133,340

Net position restricted for pension benefits, end of year \$ 26,659,246

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

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## COMPONENT UNIT FINANCIAL STATEMENTS

# CITY OF YPSILANTI, MICHIGAN

## Combining Statement of Net Position

Component Units

June 30, 2017

	Downtown Development Authority	Depot Town Downtown Development Authority	Economic Development Corporation	Totals
<b>Assets</b>				
Cash and cash equivalents	\$ 91,517	\$ 256,117	\$ 48,594	\$ 396,228
Accounts receivable	6,668	515	-	7,183
Due from other governments	-	-	20,980	20,980
Prepays	345	155	-	500
Capital assets not being depreciated	-	-	53,200	53,200
Capital assets being depreciated, net	1,512,885	281,056	-	1,793,941
<b>Total assets</b>	<b>1,611,415</b>	<b>537,843</b>	<b>122,774</b>	<b>2,272,032</b>
<b>Liabilities</b>				
Accounts payable	4,483	1,930	36,159	42,572
Accrued liabilities	4,716	-	-	4,716
Long-term liabilities:				
Due within one year	60,000	-	-	60,000
Due in more than one year	440,000	-	-	440,000
<b>Total liabilities</b>	<b>509,199</b>	<b>1,930</b>	<b>36,159</b>	<b>547,288</b>
<b>Net position</b>				
Investment in capital assets	1,012,885	281,056	53,200	1,347,141
Unrestricted	89,331	254,857	33,415	377,603
<b>Total net position</b>	<b>\$ 1,102,216</b>	<b>\$ 535,913</b>	<b>\$ 86,615</b>	<b>\$ 1,724,744</b>

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

CITY OF YPSILANTI, MICHIGAN

Combining Statement of Activities

Component Units

For the Year Ended June 30, 2017

	Downtown Development Authority	Depot Town Downtown Development Authority	Economic Development Corporation	Totals
Expenses				
Community / economic development	\$ 282,400	\$ 106,820	\$ 1,180	\$ 390,400
General revenues				
Property taxes	230,482	104,398	-	334,880
Other revenue	59,233	-	-	59,233
Unrestricted investment earnings	528	1,580	186	2,294
Total general revenues	290,243	105,978	186	396,407
Change in net position	7,843	(842)	(994)	6,007
Net position, beginning of year	1,094,373	536,755	87,609	1,718,737
Net position, end of year	\$ 1,102,216	\$ 535,913	\$ 86,615	\$ 1,724,744

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

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## NOTES TO THE FINANCIAL STATEMENTS

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# CITY OF YPSILANTI, MICHIGAN

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# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Ypsilanti, Michigan have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

#### Reporting Entity

The City of Ypsilanti is governed by an elected seven-member council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the City's operations, whereas discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City.

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

*Blended Component Units* - The City has no blended component units.

*Discretely Presented Component Units* - Following is a summary of the City's discretely presented component units:

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

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

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

**Brownfield Redevelopment Authority (BRA)** - The BRA is responsible for administering brownfield redevelopment projects. The City Council appoints and may remove board members and approves the budget. Separate financials are not prepared; the BRA had no financial activity for the current year.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### Basis of Presentation

#### *Government-wide and Fund Financial Statements*

*Government-wide Financial Statements.* The statements of net position and activities display information on the primary government and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. As a general rule the effect of interfund activity has been removed from the government-wide financial statements, except for payments-in-lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various applicable functions. Although government-wide financial statements generally distinguish between *governmental* and *business-type activities*, the City has no business-type activities and, therefore, only reports governmental activities. Governmental activities generally are financed through taxes and intergovernmental revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements.* The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

#### *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

*Government-wide, Proprietary and Fiduciary Fund Financial Statements.* The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for agency funds, which do not have a measurement focus. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the City's internal service funds are charges to other funds of the City for various services. Operating expenses for internal service funds include these services, administrative expenses, and depreciation on capital assets. All revenue and expense not meeting this definition are reported as nonoperating revenue and expenses.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

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

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

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

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when an expense is incurred for purposes for which both restricted and unrestricted 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 *capital improvement reserve capital projects fund* accounts for activity related to various capital improvement projects. Revenues come from various grants.

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

The *2013 revenue refunding 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.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

*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.

The *pension trust fund* is a fiduciary fund that accounts for the activities of the Police and Fire Employees' Retirement System. This fund accumulates resources for pension benefit payments to qualified police and fire employees through the collection of property tax revenues.

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

### Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

#### *Deposits and Investments*

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers' acceptances, and mutual funds composed of otherwise legal investments. The State's Pension Investment Act, as amended, authorizes the pension trust fund to invest in common stocks, real estate, and various other investment instruments, subject to certain limitations.

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Investments that do not have established market values are reported at estimated fair value. Cash deposits are reported at carrying amounts, which reasonably approximates fair value.

Unrealized appreciation or depreciation on pension trust fund investments due to changes in fair value are recognized each year.

#### *Receivables and Payables*

In general, outstanding balances between funds are reported as "due to/from other funds". Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds". All trade receivables are shown net of allowance for uncollectible amounts.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### *Inventory, Prepaid Items and Other Assets*

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

### *Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at 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:

Assets	Years
Infrastructure	15
Buildings and improvements	5-70
Vehicles and equipment	3-20

### *Deferred Outflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has two items that qualify for reporting in this category and are reported in the government-wide statement of net position. First is a deferred charge on refunding that results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is a deferred charge for amounts related to the net pension liability and changes therein, which are amortized over the average remaining service life of plan members.

### *Compensated Absences*

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

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### *Long-term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts 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 sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### *Deferred Inflows of Resources*

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

### *Fund Balances*

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

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

### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### 2. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. All annual appropriations lapse at year end. The annual budget for the next fiscal year is prepared by the City's management by June 1 of each year and adopted by the City Council no later than June 30 of each year (i.e., prior to the start of the next fiscal year); subsequent amendments are approved by the City Council.

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

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

### 3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

State statutes provide that a local unit shall not incur expenditures in excess of the amounts appropriated. The approved budgets of the City were adopted on a fund level basis. During the year ended June 30, 2017, the government incurred expenditures in excess of the amounts appropriated at the legal level of budgetary control as follows:

	Final Budget	Actual	Over Budget
General fund			
General government:			
City council	\$ 101,686	\$ 102,249	\$ 563
Community services	24,140	24,786	646
City clerk	125,076	125,269	193
Human resources	93,967	97,045	3,078
Public safety - fire	2,921,066	2,935,889	14,823
Nonmajor special revenue funds			
Police - public safety	12,195	14,863	2,668

### 4. CONSTRUCTION CODE FEES

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

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

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

Current year building permit revenue	\$ 443,341
Less related expenditures:	
Direct costs	384,505
Estimated indirect costs	34,457
Current year shortfall	<u>24,379</u>
Cumulative shortfall, beginning of year	<u>(825,735)</u>
Cumulative shortfall, end of year	<u><u>\$ (801,356)</u></u>

## 5. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of June 30, 2017:

	Primary Governments	Component Units	Total
<b>Statement of net position</b>			
Cash and cash equivalents	\$ 6,003,023	\$ 396,228	\$ 6,399,251
Investments	8,616,700	-	8,616,700
<b>Statement of fiduciary net position</b>			
Cash and cash equivalents:			
Pension trust fund	1,208,763	-	1,208,763
Investments - pension trust fund	27,447,875	-	27,447,875
	<u>\$ 43,276,361</u>	<u>\$ 396,228</u>	<u>\$ 43,672,589</u>
<b>Deposits and investments:</b>			
Bank deposits (checking, savings and certificates of deposit)			\$ 7,605,539
Investments in securities, mutual funds and similar vehicles:			
City investment pool (including \$4,457,347 of certificates of deposit with original maturities great than three months)			8,616,700
Pension trust fund			27,447,875
Cash on hand			<u>2,475</u>
<b>Total</b>			<u><u>\$ 43,672,589</u></u>

*Custodial Credit Risk - Deposits.* For deposits, custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to the government. As of June 30, 2017, \$11,892,698 of the City's total bank balance of \$13,142,698 (total book balance was \$12,635,858) was exposed to custodial credit risk as it was uninsured and uncollateralized.

The City's depository and investment policy does not specifically address this risk, although the City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the City evaluates each financial institution with which it deposits City funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

*Custodial Credit Risk - City Investment Pool.* Following is a summary of the City's investments as of June 30, 2017:

Investment Type	Amount
Local government investment pool	\$ 2,100,407
Commercial paper	1,485,939
Money market accounts	<u>573,007</u>
	4,159,353
Certificates of deposit (maturities > 3 months)	<u>4,457,347</u>
Total investments caption	<u>\$ 8,616,700</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, 2017, 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, 2017, the City's investments in commercial paper was rated P1 by Moody's and the local government investment pool was rated AAA/m by Standard & Poors. 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.* At June 30, 2017, the investment portfolio of the City was concentrated 35.7% in commercial paper of the Bank of Tokyo. The City's investment policy does not address concentration of credit risk.

*Interest Rate Risk.* Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of investments. As of June 30, 2017, maturities of the City's investments in commercial paper are less than one year. The City's investment policy does not address interest rate risk.

*Fair Value Measurements.* The City categorizes the fair value measurements of its investments within the fair value hierarchy established by generally accepted accounting principles. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs - other than quoted prices - included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable and are based on estimates and assumptions. 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.

## 6. INVESTMENTS - PENSION TRUST FUND

The investments of the Police and Fire Retirement System Trust Fund (the "System") are separate from the City's investments, and are subject to other investment policies and state statutes. Accordingly, the required disclosures for these investments are presented separately.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

The Michigan Public Employees Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, authorizes the System to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations. The Retirement Board has the responsibility and authority to oversee the investment portfolio. Various professional investment managers are contracted to assist in managing the System's assets. All investment decisions are subject to Michigan law and the investment policy established by the Retirement Board.

The System's investments are held in a bank-administered trust fund. Following is a summary of the System's investments as of June 30, 2017:

Investments at fair value	
U.S. agencies	\$ 1,898,091
Corporate bonds	4,370,001
Domestic equities	14,455,556
International equities	828,992
Mutual funds	5,264,531
Domestic real estate investment trusts	383,153
Money market accounts	<u>247,551</u>
 Total investments	 <u><u>\$ 27,447,875</u></u>

*Credit Risk.* As of June 30, 2017, the System's investments in U.S. agencies were rated Aaa by Moody's Investor Services and its domestic corporate bonds were rated as follows:

A1	\$ 367,010
A2	717,110
A3	810,756
Aa1	217,600
Baa1	1,040,590
Baa2	<u>1,216,935</u>
 Totals	 <u><u>\$ 4,370,001</u></u>

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

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

*Concentration of Credit Risk.* At June 30, 2017, the System did not have any holdings in any one issue greater than 5% of the total investment portfolio.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

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, 2017, maturities of the System's debt securities were as follows:

	Investment Maturities (fair value by years)				
	Fair Value	Less Than 1	1-5	6-10	More Than 10
U.S. agencies	\$ 1,898,091	\$ 459	\$ -	\$ 1,887	\$ 1,895,745
Corporate bonds	4,370,001	200,046	1,424,275	1,729,066	1,016,614
	<u>\$ 6,268,092</u>	<u>\$ 200,505</u>	<u>\$ 1,424,275</u>	<u>\$ 1,730,953</u>	<u>\$ 2,912,359</u>

Of the above corporate bonds, \$1,572,267 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 67% of total mutual fund holdings of \$5,264,531), 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 investment.

*Fair Value Measurements.* The System categorizes the fair value measurements of its investments within the fair value hierarchy established by generally accepted accounting principles. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs - other than quoted prices - included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable and are based on estimates and assumptions. 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 funds. The investment manager will request the information from the portfolio manager, if necessary.

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.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

The System had the following recurring fair value measurements as of June 30, 2017:

	Level 1	Level 2	Level 3	Total
U.S. agencies	\$ -	\$ 1,898,091	\$ -	\$ 1,898,091
Corporate bonds	-	4,370,001	-	4,370,001
Domestic equities	14,455,556	-	-	14,455,556
International equities	828,992	-	-	828,992
Mutual funds	5,264,531	-	-	5,264,531
Real estate investment trusts	-	383,153	-	383,153
Portfolio cash	247,551	-	-	247,551
<b>Total investments</b>	<b>\$ 20,796,630</b>	<b>\$ 6,651,245</b>	<b>\$ -</b>	<b>\$ 27,447,875</b>

### 7. RECEIVABLES

Receivables in the governmental activities are 94.2% leases (approximately 9.5% of which will be collected in one year), 4.2% due from other governments and 1.6% other receivables.

### 8. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets not being depreciated:				
Land	\$ 1,358,840	\$ -	\$ -	\$ 1,358,840
Construction in progress	152,020	50,533	(73,361)	129,192
	<u>1,510,860</u>	<u>50,533</u>	<u>(73,361)</u>	<u>1,488,032</u>
Capital assets being depreciated:				
Infrastructure	44,042,238	935,180	-	44,977,418
Buildings and improvements	8,067,050	-	-	8,067,050
Vehicles and equipment	7,868,717	617,678	-	8,486,395
	<u>59,978,005</u>	<u>1,552,858</u>	<u>-</u>	<u>61,530,863</u>
Less accumulated depreciation for:				
Infrastructure	29,754,408	2,411,287	-	32,165,695
Buildings and improvements	3,787,610	219,014	-	4,006,624
Vehicles and equipment	5,959,891	482,640	-	6,442,531
	<u>39,501,909</u>	<u>3,112,941</u>	<u>-</u>	<u>42,614,850</u>
Total capital assets being depreciated, net	<u>20,476,096</u>	<u>(1,560,083)</u>	<u>-</u>	<u>18,916,013</u>
<b>Governmental activities capital assets, net</b>	<b>\$ 21,986,956</b>	<b>\$ (1,509,550)</b>	<b>\$ (73,361)</b>	<b>\$ 20,404,045</b>

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

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

Governmental activities	
General government	\$ 37,930
Public safety	97,960
Public works	5,466
Highways, streets and bridges	2,423,836
Culture and recreation	108,604
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>439,145</u>
 Total depreciation expense - governmental activities	 <u><u>\$ 3,112,941</u></u>

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

	Beginning Balance	Increases	Decreases	Ending Balance
Component units				
Capital assets not being depreciated:				
Land	\$ 53,200	\$ -	\$ -	\$ 53,200
Capital assets being depreciated -				
Buildings and improvements	3,693,036	-	-	3,693,036
Less accumulated depreciation for -				
Buildings and improvements	<u>1,811,636</u>	<u>87,459</u>	-	<u>1,899,095</u>
Total capital assets being depreciated, net	<u>1,881,400</u>	<u>(87,459)</u>	-	<u>1,793,941</u>
Component units capital assets, net	<u><u>\$ 1,934,600</u></u>	<u><u>\$ (87,459)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,847,141</u></u>

## 9. PAYABLES

Payables in the governmental activities are 29.3% accrued liabilities, 6.0% property tax refunds, 19.1% interest, 17.4% claims, and 28.2% vendors.

## 10. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The City had no interfund receivables or payables at year-end, except for a receivable in the general fund for \$16,849 due from the capital improvements reserve capital projects fund for cash temporarily advanced by the general fund.

Most significant of the transactions below were transfers between the general fund and the capital improvement reserve fund and nonmajor governmental funds (i.e., debt service and capital projects funds) related to bond refunding and bond principal payment.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

Transfers In	Transfers Out		
	General Fund	Nonmajor Governmental Funds	Totals
Capital improvement reserve	\$ 395,732	\$ -	\$ 395,732
2006 general obligation	24,833	-	24,833
Nonmajor governmental funds	933,203	256,781	1,189,984
	<u>\$ 1,353,768</u>	<u>\$ 256,781</u>	<u>\$ 1,610,549</u>

### 11. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and potential adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

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

The City is currently involved in various tax appeals pending before the Michigan Tax Tribunal. The appeals cover various commercial and industrial properties for the years 2016 and 2017. 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 \$600,000 in taxable value. The City is vigorously defending all such litigation.

### 12. LONG-TERM DEBT

#### Primary Government

*General obligation bonds.* The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. The original amount of general obligation bonds issued in prior years for the items listed below was \$26,585,000.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2010 refunding bonds	\$ 670,000	\$ -	\$ (670,000)	\$ -	\$ -
2002 capital improvements	70,000	-	(35,000)	35,000	35,000
2006 property remediation	700,000	-	(480,000)	220,000	10,000
2013 refunding bonds	2,280,000	-	(645,000)	1,635,000	815,000
2016 refunding bonds	10,440,000	-	(520,000)	9,920,000	560,000
	<u>\$ 14,160,000</u>	<u>\$ -</u>	<u>\$ (2,350,000)</u>	<u>\$ 11,810,000</u>	<u>\$ 1,420,000</u>

Interest rates on outstanding general obligation bonds are as follows:

2002 capital improvements	4.6%
2006 property remediation	5.8-6.2%
2013 refunding bonds	1.31%
2016 refunding bonds	1.56-4.00%

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

	Principal	Interest
2018	\$ 1,420,000	\$ 327,758
2019	1,405,000	306,929
2020	600,000	290,839
2021	625,000	278,321
2022	650,000	263,758
2023-2027	3,615,000	1,034,193
2028-2031	<u>3,495,000</u>	<u>358,267</u>
	<u>\$ 11,810,000</u>	<u>\$ 2,860,065</u>

*Revenue bonds.* The City also issues bonds where the income derived from the acquired or constructed assets is pledged to pay debt service. In this instance, the income is derived from Ypsilanti Community Utilities Authority (*see Joint Venture note*), which manages and operates the related water and wastewater systems. The original amount of revenue bonds issued in current and prior years for the items listed below was \$33,024,702. Revenue bonds outstanding at year-end are as follows:

During the current year, the City issued \$8,455,000 of refunding bonds to currently refund \$9,620,000 of the 2006 water and sewer refunding revenue bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities. The refunding resulted in a savings of \$1,848,925 and an economic gain of \$1,649,247.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

Revenue bonds outstanding at year-end are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2002-B Water/Sewer (DWRf)	\$ 180,000	\$ -	\$ (30,000)	\$ 150,000	\$ 30,000
2003-C Water/Sewer (DWRf)	360,000	-	(40,000)	320,000	40,000
2003-D Water/Sewer (DWRf)	2,440,000	-	(280,000)	2,160,000	285,000
2004-B Water/Sewer (DWRf)	3,185,000	-	(325,000)	2,860,000	330,000
2006 Water/Sewer Refunding	9,670,000	-	(9,670,000)	-	-
2007 Water/Sewer (DWRf)	193,702	-	(15,000)	178,702	15,000
2008 Water/Sewer (DWRf)	299,253	-	(20,000)	279,253	20,000
2009 Water/Sewer (DWRf)	109,029	-	(5,000)	104,029	5,000
2012 Water/Sewer (DWRf)	2,670,000	-	(120,000)	2,550,000	120,000
2013 Water/Sewer Refunding	5,955,000	-	(1,015,000)	4,940,000	1,050,000
2015 Water/Sewer (DWRf)	430,000	-	(20,000)	410,000	20,000
2016 Water/Sewer Refunding	-	8,455,000	-	8,455,000	-
	<u>\$ 25,491,984</u>	<u>\$ 8,455,000</u>	<u>\$ (11,540,000)</u>	<u>\$ 22,406,984</u>	<u>\$ 1,915,000</u>

DWRf = Drinking Water Revolving Fund (State of Michigan)

DWRf revenue bonds each have an interest rate of 2.5%. The 2006 water/sewer refunding bonds had interest rates of 4.05 to 4.125%; the 2013 and 2016 water/sewer refunding bonds have interest rates of 2.0% to 4.0%.

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

	Principal	Interest
2018	\$ 1,915,000	\$ 665,649
2019	2,030,000	625,561
2020	2,095,000	557,939
2021	2,165,000	493,645
2022	2,220,000	433,069
2023-2027	9,768,702	1,112,246
2028-2032	1,778,282	104,436
2033-2035	435,000	3,086
Totals	<u>\$ 22,406,984</u>	<u>\$ 3,995,631</u>

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

*Installment Obligations.* The government has entered into various long-term loan and installment payment agreements. Such obligations outstanding at year-end are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2015 capital lease	\$ 113,072	\$ -	\$ (21,324)	\$ 91,748	\$ 21,950
Biltmore agreement	340,000	-	-	340,000	-
	<u>\$ 453,072</u>	<u>\$ -</u>	<u>\$ (21,324)</u>	<u>\$ 431,748</u>	<u>\$ 21,950</u>

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

	Principal	Interest
2018	\$ 21,950	\$ 2,697
2019	22,595	2,052
2020	23,260	1,388
2021	23,943	704
	<u>91,748</u>	<u>6,841</u>
Biltmore agreement	<u>340,000</u>	<u>-</u>
	<u>\$ 431,748</u>	<u>\$ 6,841</u>

Repayment of the remaining \$340,000 on the Biltmore agreement is contingent upon certain future events occurring between now and 2030, primary of which is the City's sale of the former Biltmore property. The likelihood of such future sale is presently indeterminable.

### Component Units

Component unit general obligation bonds outstanding at June 30, 2017 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Downtown development - 2004-A	\$ 560,000	\$ -	\$ (60,000)	\$ 500,000	\$ 60,000

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

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

	Principal	Interest
2018	\$ 60,000	\$ 22,255
2019	65,000	19,765
2020	70,000	16,970
2021	70,000	13,925
2022	75,000	10,810
2023-2024	160,000	11,040
	<u>\$ 500,000</u>	<u>\$ 94,765</u>

*Changes in Long-term Debt.* Long-term debt activity for the year ended June 30, 2017, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Primary Government</b>					
General obligation bonds	\$ 14,160,000	\$ -	\$ (2,350,000)	\$ 11,810,000	\$ 1,420,000
Revenue bonds	25,491,984	8,455,000	(11,540,000)	22,406,984	1,915,000
Unamortized premium	399,767	1,122,195	(144,770)	1,377,192	132,560
Installment obligations	453,072	-	(21,324)	431,748	21,950
Compensated absences	1,184,779	372,072	(785,685)	771,166	511,000
	<u>\$ 41,689,602</u>	<u>\$ 9,949,267</u>	<u>\$ (14,841,779)</u>	<u>\$ 36,797,090</u>	<u>\$ 4,000,510</u>
<b>Component Units</b>					
General obligation bonds	\$ 560,000	\$ -	\$ (60,000)	\$ 500,000	\$ 60,000
Compensated absences	1,545	-	(1,545)	-	-
	<u>\$ 561,545</u>	<u>\$ -</u>	<u>\$ (61,545)</u>	<u>\$ 500,000</u>	<u>\$ 60,000</u>

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

### 13. COMMITTED FUND BALANCE

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

<b>Committed fund balance</b>	
Active employees cumulative benefits	\$ 771,166
Water Street project bond payments	300,000
Water Street redevelopment professional fees	50,000
Energy efficiency and conservation project	397,258
Peninsular dam inspection study and repair	80,300
MDNR 2011 Recreation Passport Grant (Res # 2011-092)	10,000
Park capital improvements	23,409
	<u>1,632,133</u>
<b>Total committed fund balance</b>	<u>\$ 1,632,133</u>

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### 14. INVESTED IN CAPITAL ASSETS

Net investment in capital assets of the governmental activities was as follows at June 30, 2017:

Capital assets not being depreciated	\$ 1,488,032
Capital assets being depreciated, net	18,916,013
General obligation bonds	(11,810,000)
Revenue bonds	(22,406,984)
Unamortized premium	(1,377,192)
Installment obligations	(431,748)
Deferred charge on refunding	16,640
Accrued interest payable	(282,725)
Add back debt that did not produce City capital assets:	
General obligation bonds	10,140,000
Revenue bonds	<u>22,406,984</u>
 Net investment in capital assets	 <u><u>\$ 16,659,020</u></u>

### 15. RISK MANAGEMENT

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial insurance for medical claims and participates in the Michigan Municipal League Liability and Property Pool for claims relating to property and general liability; the City is self-insured for workers' compensation claims with a self-insured retention of \$400,000 to \$500,000 per claim depending on job classification and \$1.3 in the aggregate, annually. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

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

The City estimates the liability for workers' compensation claims that have been incurred through the end of the fiscal year, including claims that have been reported as well as those that have not yet been reported. Changes in the estimated liability for the past two fiscal years were as follows (approximately 60 percent of the total liability is classified as current, the remaining as noncurrent):

	2017	2016
Estimated liability, beginning of year	\$ 334,824	\$ 422,072
Estimated claims incurred, including changes in estimates	(62,858)	(58,065)
Claim payments	<u>(14,003)</u>	<u>(29,183)</u>
 Estimated liability, end of year	 <u><u>\$ 257,963</u></u>	 <u><u>\$ 334,824</u></u>

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### 16. PROPERTY TAXES

The government's property taxes are levied each July 1 on the taxable valuation of property located in the City as of the preceding December 31, the lien date. Property taxes are payable without penalty and interest through September 14; as of February 14 of the succeeding year, unpaid real property taxes are sold to and collected by Washtenaw County. Assessed values, as established annually by the government and subject to acceptance by the County, are equalized by the State at an estimated 50% of current market value. The taxable value of real and personal property in the City for the 2016 levy was \$297,436,696. The government's general operating tax rate for fiscal 2016-17 was 18.9069 mills plus 2.7647 mills for sanitation, 4.5866 mills for streets, 0.9730 for public transit and 7.8415 mills for police and fire pension. Property taxes are recognized in the fiscal year in which they are levied.

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

### 17. DEFINED BENEFIT PENSION PLANS

#### Police and Fire Retirement System

*Plan administration.* The Police and Fire Retirement System is a single-employer defined benefit pension plan that is administered by the City of Ypsilanti Police and Fire Employees' Retirement System (the "System"); this plan covers all full-time police and fire employees of the City. The System provides retirement, disability, and death benefits to plan members and their beneficiaries. Cost of living adjustments are provided to members and beneficiaries. The plan issues a publicly available financial report that includes financial statements and required supplementary information of the System. That report may be obtained by writing to the System at One South Huron Street, Ypsilanti, Michigan 48197 or on the City's website.

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

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

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

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

*Plan membership.* At June 30, 2016, the date of the latest actuarial valuation, membership in the plan consisted of the following:

Retirees and beneficiaries receiving benefits	121
Terminated employees entitled to but not yet receiving benefits	4
Active employees	35
Total	160

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

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

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

*Contributions.* The obligation to contribute to the System for these employees was established by City ordinances and state statute and requires a contribution from the employees of 10.0% of gross wages for plan members hired prior to July 1, 2009 and 5% of gross wages for plan members hired after July 1, 2009. The funding policy provides for periodic employer contributions at actuarially determined rates; the current rate is 42.72% of covered payroll.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

*Deferred Retirement Option Program (DROP).* In lieu of retiring and receiving a monthly benefit, an eligible participant may elect to participate in the DROP by making an irrevocable election to terminate employment with the City and retire upon ceasing participation in the DROP. The DROP election must specify the future retirement date which must be within the maximum time period permitted (typically 3 to 5 years, based on bargaining unit and hire date). Upon entry in the DROP, the participant ceases to accrue years of service in the defined benefit pension plan. The participant remains an employee of the City for all other purposes, but the retirement benefit payment is calculated and payments commence into a separate, restricted account. These monthly payments, along with interest earnings thereon, are not distributed to the participant until employment has terminated. DROP activity for the year ended June 30, 2017 is as follows:

Beginning Balance	Credits	Interest	Distributions	Adjustments	Ending Balance
\$ 1,296,243	\$ 569,037	\$ 68,651	\$ (670,754)	\$ -	\$ 1,263,177

*Net pension liability.* The City's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 (as rolled forward to June 30, 2017).

*Actuarial assumptions.* The total pension liability was determined by an actuarial valuation as of June 30, 2016 and a measurement date of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	No explicit price inflation assumption used
Salary increases	4.0-9.0 percent, average, including inflation
Investment rate of return	7.5 percent, net of pension plan investment expense, including inflation
Mortality rates	RP-2014 Healthy Annuitant Mortality Table

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2009 through June 30, 2014.

*Investment allocation policy.* The System's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board. The policy pursues an investment strategy that protects the financial health of the System and reduces risk through the prudent portfolio diversification. The adopted asset allocation policy as of June 30, 2017, 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, 2016 are summarized below:

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	50%	7.67%
Domestic fixed income	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 7.5 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2016	\$ 46,515,011	\$ 27,133,340	\$ 19,381,671
Changes for the year:			
Service cost	483,184	-	483,184
Interest	3,334,772	-	3,334,772
Differences between expected and actual experience	297,192	-	297,192
Employer contributions	-	1,355,989	(1,355,989)
Employee contributions	-	208,502	(208,502)
Net investment income	-	2,619,925	(2,619,925)
Benefit payments, including refunds of employee contributions	(4,585,964)	(4,585,964)	-
Administrative expense	-	(72,546)	72,546
Net changes	(470,816)	(474,094)	3,278
Balances at June 30, 2017	\$ 46,044,195	\$ 26,659,246	\$ 19,384,949

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

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

	1% Decrease (6.5%)	Current Discount (7.5%)	1% Increase (8.5%)
City's net pension liability	\$ 24,352,609	\$ 19,384,949	\$ 15,142,235

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* For the year ended June 30, 2017, the City recognized pension expense of \$2,776,507. The City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Difference between expected and actual experience	\$ 172,766
Net difference between projected and actual earnings on pension plan investments	<u>1,405,898</u>
Total	<u>\$ 1,578,664</u>

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, 2018. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2018	\$ 725,485
2019	649,399
2020	343,969
2021	<u>(140,189)</u>
Total	<u>\$ 1,578,664</u>

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### Municipal Employees Retirement System of Michigan

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

*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, 2017. This was determined as part of an actuarial valuation at December 31, 2014, using the entry age normal cost method.

*Benefits Provided.* Pension benefits are calculated as final average compensation (based on a 5 year period) and multipliers ranging from 1.5% to 2.5%. Participants are considered to be fully vested in the plan after 10 years. Normal retirement age is 60 with early retirement at age 50 with 25 years of service. The employer may establish contribution rates to be paid by its covered employees. Currently, member contributions range from 0% to 5.0%.

*Employees Covered by Benefit Terms.* At December 31, 2016, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	51
Inactive employees entitled to but not yet receiving benefits	19
Active employees	43
 Total membership	 113

*Net Pension Liability.* The City's net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability in the December 31, 2016 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 and including inflation

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

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%.

Mortality rates used were based on the 1RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of the most recent actuarial experience study of 2009-13.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	57.50%	5.02%	2.88%
Global fixed income	20.00%	2.18%	0.44%
Real assets	12.50%	4.23%	0.52%
Diversifying strategies	10.00%	6.56%	0.66%
	<u>100.00%</u>		4.50%
Inflation			3.25%
Administrative expenses netted above			<u>0.25%</u>
Investment rate of return			<u>8.00%</u>

*Discount Rate.* The discount rate used to measure the total pension liability as of December 31, 2016 was 8.0% (down from 8.25% for the prior year). The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a) - (b)
Balances at December 31, 2015	\$ 14,421,423	\$ 16,750,759	\$ (2,329,336)
Changes for the year:			
Service cost	270,060	-	270,060
Interest	1,130,555	-	1,130,555
Differences between expected and actual experience	(769,105)	-	(769,105)
Changes in assumptions	-	-	-
Employer contributions	-	37,997	(37,997)
Employee contributions	-	120,245	(120,245)
Net investment income	-	1,886,365	(1,886,365)
Benefit payments, including refunds of employee contributions	(849,021)	(849,021)	-
Administrative expense	-	(37,254)	37,254
Other changes	-	-	-
Net changes	(217,511)	1,158,332	(1,375,843)
Balances at December 31, 2016	\$ 14,203,912	\$ 17,909,091	\$ (3,705,179)

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate.* The following presents the net pension liability of the City, calculated using the discount rate of 8.25%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower (7.25%) or 1% higher (9.25%) than the current rate:

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
City's net pension liability (asset)	\$ (2,183,321)	\$ (3,705,179)	\$ (4,990,113)

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

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* For the year ended June 30, 2017, the City recognized pension expense of \$410,278. The City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 9,131	\$ 512,738	\$ (503,607)
Changes in assumptions	252,807	-	252,807
Net difference between projected and actual earnings on pension plan investments	655,521	-	655,521
	<u>917,459</u>	<u>512,738</u>	<u>404,721</u>
Contributions subsequent to the measurement date	20,017	-	20,017
	<u>20,017</u>	<u>-</u>	<u>20,017</u>
Total	<u>\$ 937,476</u>	<u>\$ 512,738</u>	<u>\$ 424,738</u>

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending June 30, 2018. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2018	\$ 283,347
2019	21,407
2020	215,052
2021	<u>(115,085)</u>
Total	<u>\$ 404,721</u>

## 18. OTHER POSTEMPLOYMENT BENEFITS

The City participates in the Municipal Employees' Retirement System of Michigan (MERS), an agent multiple-employer other postemployment benefit plan that provides postemployment healthcare benefits to certain retirees and their beneficiaries. The MERS issues a publicly available financial report that includes financial statements and required supplementary information for the MERS. That report may be obtained by writing to the MERS at 1134 Municipal Way, Lansing, MI 48917.

As of June 30, 2017, the date of the latest actuarial valuation, the City had 221 total participants in the plan. This includes 82 active employees, no deferred vested participants, and 139 retirees that were eligible and receiving benefits.

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

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

For the year ended June 30, 2017, the City paid benefits and made contributions to advance-fund the plan totaling \$1,392,235.

For the year ended June 30, 2017, the City estimated the cost of providing retiree healthcare benefits based on an actuarial valuation as of December 31, 2017. Such a valuation computes an annual required contribution (ARC) that represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The current combined ARC is 31.9% of annual covered payroll.

For fiscal 2017, the components of the City's annual OPEB (other postemployment benefit) cost for the year, the amount actually contributed to the plan (including pay-as-you-go amounts), and changes in the City's net OPEB asset to the plan are as follows:

Annual required contribution	\$ 1,434,982
Interest on net OPEB obligation	2,927
Adjustment to annual required contribution	<u>(3,237)</u>
Annual OPEB cost	1,434,672
Contributions made	<u>(1,392,235)</u>
Increase in net OPEB obligation	42,437
Net OPEB obligation, beginning of year	<u>45,026</u>
 Net OPEB obligation, end of year	 <u><u>\$ 87,463</u></u>

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

Year Ended	Annual OPEB Cost	Actual Contribution	Percentage of OPEB Cost Contributed	Net OPEB (Asset) Obligation
6/30/2015	\$ 1,277,984	\$ 1,208,716	94.6%	\$ (34,740)
6/30/2016	1,370,395	1,290,629	94.2%	45,026
6/30/2017	1,434,672	1,392,235	97.0%	87,463

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

*Funded Status.* The funded status of the plan as of June 30, 2017, the date of the latest actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	\$ 22,037,740
Actuarial value of assets	<u>6,412,638</u>
Unfunded AAL (UAAL)	<u>\$ 15,625,102</u>
Funded ratio	<u>29.1%</u>
Covered payroll	<u>\$ 4,499,309</u>
UAAL as % of covered payroll	<u>347.3%</u>

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

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

Actuarial valuation date	6/30/2017
Actuarial cost method	Entry age normal cost
Amortization method	Level percent of payroll open
Remaining amortization period	30 years
Asset valuation method	Market value
Discount rate	6.5%
Projected salary increases	3.0%
Healthcare inflation rate	8.0% grading to 5.0% ultimately
General inflation rate	2.5%

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### 19. JOINT VENTURE

The City is a member of the Ypsilanti Community Utilities Authority (YCUA), which provides water and wastewater services to the residents of the City, Ypsilanti Township and other adjacent municipalities. The City appoints two of the five members of the joint venture's governing board. The joint venture does not involve an explicit, measurable equity interest; hence it is not recorded as an asset in the City's financial statements. Complete financial statements for YCUA can be obtained from its administrative offices at 2777 State Street, Ypsilanti, Michigan.

The City has issued various revenue bonds on behalf of YCUA. Proceeds from the issues are contributed to YCUA for various water and sewer improvements and construction. YCUA reimburses the City annually for debt service payments, with income derived from water and sewer use rates. The City has recorded a lease receivable on its government-wide statement of net position for the principal balance of the bonds drawn to date by YCUA, which is reported net of fund balance amounts in the related debt service funds maintained by the City.

### 20. 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.

### 21. 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).

During the current year, the value of the land held for resale was reduced by \$768,350 to \$1,152,276. This was reported as a special item in the financial statements.

The Water Street property was removed from the market in May 2017 for a potential development. The City has entered into a purchase agreement with International Village, LLC, who has proposed a mixed use, commercial, residential, student housing and hotel development estimated at \$300 million in value. The City and the developer are completing due diligence in order to create a final development agreement for the sale of 30.1 acres.

The City owns approximately four acres of property located at 220 N. Park. The City acquired the property from tax reversion. The property came with an office and a 50,000 square foot gym. The buildings were demolished by the City in 2016, paid for through a State grant. The City issued a request for proposals to sell the property for development in early 2017. It is expected the City will enter into a purchase agreement with Norfolk Homes, LLC for the sale and residential development of the property. The sale is expected at \$25,000 and will be considered in 2018.

## CITY OF YPSILANTI, MICHIGAN

### Notes to Financial Statements

The City also owns a five acre parcel at the southwest corner of Huron River Drive and Superior Road. The property has been owned by the City since the 1950's. The property is heavily wooded, fronts the river and has a municipal lift station on it. A purchase agreement was approved by the City in June 2017. The developer, Ozone House, a nonprofit organization, has offered \$250,000 for the purchase price. The due diligence period ends December 2017. The City expects to close on the property in early 2018.

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## REQUIRED SUPPLEMENTARY INFORMATION

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

Required Supplementary Information

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

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

	Year Ended December 31,		
	2014	2015	2016
Total pension liability			
Service cost	\$ 261,667	\$ 297,939	\$ 270,060
Interest	1,018,946	1,026,796	1,130,555
Changes in benefit terms	-	-	-
Differences between expected and actual experience	-	27,391	(769,105)
Changes of assumptions	-	758,423	-
Benefit payments, including refunds of employee contributions	(813,912)	(814,387)	(849,021)
Employee refunds	(1,011)	-	-
Other changes	-	32,088	-
Net change in total pension liability	<u>465,690</u>	<u>1,328,250</u>	<u>(217,511)</u>
Total pension liability, beginning of year	<u>12,627,483</u>	<u>13,093,173</u>	<u>14,421,423</u>
Total pension liability, end of year	<u>13,093,173</u>	<u>14,421,423</u>	<u>14,203,912</u>
Plan fiduciary net position			
Employer contributions	-	16,098	37,997
Employee contributions	109,007	118,023	120,245
Net investment income	1,089,980	(260,995)	1,886,365
Benefit payments, including refunds of employee contributions	(813,912)	(814,387)	(849,021)
Employee refunds	(1,011)	-	-
Administrative expense	(39,926)	(38,466)	(37,254)
Net change in plan fiduciary net position	<u>344,138</u>	<u>(979,727)</u>	<u>1,158,332</u>
Plan fiduciary net position, beginning of year	<u>17,386,348</u>	<u>17,730,486</u>	<u>16,750,759</u>
Plan fiduciary net position, end of year	<u>17,730,486</u>	<u>16,750,759</u>	<u>17,909,091</u>
City's net pension liability (asset)	<u><u>\$(4,637,313)</u></u>	<u><u>\$(2,329,336)</u></u>	<u><u>\$(3,705,179)</u></u>
Plan fiduciary net position as a percentage of total pension liability	135.4%	116.2%	126.1%
Covered-employee payroll	\$ 2,116,057	\$ 2,440,537	\$ 2,263,584
City's net pension asset as a percentage of covered-employee payroll	-219.1%	-95.4%	-163.7%

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

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively.

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

**Required Supplementary Information**

Schedule of Net Pension Liability

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

Schedule of the Net Pension Liability

Fiscal Year Ended June 30,	Total Pension Liability	Plan Net Position	Net Pension Liability (Asset)	Plan Net Position as Percentage of Total Pension Liability	Covered-Employee Payroll	Net Pension Liability as Percentage of Covered Payroll
2015	\$13,083,173	\$ 17,730,486	\$ (4,647,313)	135.5%	\$ 2,116,057	-219.6%
2016	14,421,423	16,750,759	(2,329,336)	116.2%	2,440,537	-95.4%
2017	14,203,912	17,909,091	(3,705,179)	126.1%	2,263,584	-163.7%

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

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

**Required Supplementary Information**

Schedule of City Contributions

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

Schedule of Contributions

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as Percentage of Covered-Employee Payroll
2015	\$ -	\$ -	\$ -	\$ 2,116,057	0.0%
2016	48,530	48,530	-	2,350,653	2.1%
2017	41,680	41,680	-	2,336,356	1.8%

Notes to Schedule of Contributions

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	21 years
Asset valuation method	Open; 5-year smoothed value of assets
Inflation	2.50%
Salary increases	3.75% in the long-term
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.

CITY OF YPSILANTI, MICHIGAN  
POLICE AND FIRE RETIREMENT SYSTEM

Required Supplementary Information

Schedule of Investment Returns

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

Fiscal Year Ended	Annual Money-Weighted Rate of Return, Net
6/30/2013	13.99%
6/30/2014	19.22%
6/30/2015	3.70%
6/30/2016	-0.27%
6/30/2017	10.34%

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

**Required Supplementary Information**

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

Last Four Fiscal Years (ultimately ten fiscal years will be displayed)

	2014	2015	2016	2017
<b>Change in total pension liability</b>				
Service cost	\$ 417,399	\$ 767,076	\$ 624,175	\$ 483,184
Interest	3,244,001	3,248,978	3,377,822	3,334,772
Changes of benefit terms	88,956	-	-	-
Differences between expected and actual experience	(212,827)	481,589	-	297,192
Changes of assumptions	(203,836)	1,407,285	-	-
Benefit payments, including refunds of member contributions	(3,078,288)	(3,806,050)	(4,425,057)	(4,585,964)
<b>Net change in total pension liability</b>	<b>255,405</b>	<b>2,098,878</b>	<b>(423,060)</b>	<b>(470,816)</b>
<b>Total pension liability, beginning</b>	<b>44,583,788</b>	<b>44,839,193</b>	<b>46,938,071</b>	<b>46,515,011</b>
<b>Total pension liability, ending (a)</b>	<b>44,839,193</b>	<b>46,938,071</b>	<b>46,515,011</b>	<b>46,044,195</b>
<b>Change in plan fiduciary net position</b>				
Contributions - employer	1,358,167	1,395,423	1,240,657	1,355,989
Contributions - member	275,422	274,671	234,471	208,502
Net investment income	4,982,234	1,002,019	(253,617)	2,619,925
Benefit payments, including refunds of member contributions	(3,078,288)	(3,806,050)	(4,425,057)	(4,585,964)
Administrative expense	(60,012)	(59,069)	(67,345)	(72,546)
<b>Net change in plan fiduciary net position</b>	<b>3,477,523</b>	<b>(1,193,006)</b>	<b>(3,270,891)</b>	<b>(474,094)</b>
<b>Plan fiduciary net position, beginning</b>	<b>28,119,714</b>	<b>31,597,237</b>	<b>30,404,231</b>	<b>27,133,340</b>
<b>Plan fiduciary net position, ending (b)</b>	<b>31,597,237</b>	<b>30,404,231</b>	<b>27,133,340</b>	<b>26,659,246</b>
<b>City's net pension liability, ending (a)-(b)</b>	<b>\$13,241,956</b>	<b>\$16,533,840</b>	<b>\$19,381,671</b>	<b>\$19,384,949</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>70.47%</b>	<b>64.78%</b>	<b>58.33%</b>	<b>57.90%</b>
<b>Covered-employee payroll</b>	<b>\$ 3,440,059</b>	<b>\$ 3,298,809</b>	<b>\$ 3,170,835</b>	<b>\$ 3,174,402</b>
<b>City's net pension liability as a percentage of covered payroll</b>	<b>384.93%</b>	<b>501.21%</b>	<b>611.25%</b>	<b>610.66%</b>

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

**Required Supplementary Information**

Schedule of City Contributions

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

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2014	\$ 1,347,529	\$ 1,358,167	\$ (10,638)	\$ 3,440,059	39.5%
6/30/2015	1,395,423	1,395,423	-	3,298,809	42.3%
6/30/2016	1,240,657	1,240,657	-	3,170,835	39.1%
6/30/2017	1,355,989	1,355,989	-	3,174,402	42.7%

Notes to Schedule of Contributions

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.

Other information During the year ended June 30, 2015, the plan experienced a change in actuarial assumptions resulting in a \$1,407,285 increase in the TPL.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	28 years for the 2016 valuation, 30 years prior to 6/30/15
Asset valuation method	5-year smoothed market
Inflation	No explicit price inflation assumption used
Salary increases	4.0-9.0 percent, average, including inflation
Investment rate of return	7.5 percent, net of pension plan investment expense, including inflation
Mortality rates	RP-2014 Healthy Annuitant Mortality Table

CITY OF YPSILANTI, MICHIGAN  
OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS

Required Supplementary Information

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) - Entry Age (2)	Unfunded AAL (UAAL) (2-1)	Funded Ratio (1 / 2)	Covered Payroll (3)	UAAL as a Percentage of Covered Payroll ((1-2) / 3)
6/30/2009	\$ 1,414,918	\$ 12,430,962	\$ 11,016,044	11.4%	\$ 6,028,949	182.7%
6/30/2011	3,019,998	12,121,822	9,101,824	24.9%	5,767,671	157.8%
6/30/2013	3,412,331	15,935,506	12,523,175	21.4%	4,722,802	265.2%
6/30/2015	4,151,206	17,973,717	13,822,511	23.1%	4,615,356	299.5%
6/30/2017	6,412,638	22,037,740	15,625,102	29.1%	4,499,309	347.3%

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contributions	Annual Actual Contribution	Percentage Contributed
2009	\$ 1,192,998	\$ 1,483,485	124.3%
2010	1,193,561	1,218,188	102.1%
2011	990,482	949,197	95.8%
2012	991,286	1,045,048	105.4%
2013	1,279,216	1,139,174	89.1%
2014	1,278,443	1,196,034	93.6%
2015	1,277,984	1,208,716	94.6%
2016	1,370,202	1,290,629	94.2%
2017	1,434,672	1,392,235	97.0%

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

# CITY OF YPSILANTI, MICHIGAN

## Combining Balance Sheet Nonmajor Governmental Funds June 30, 2017

	Special Revenue	Debt Service	Capital Projects	Totals
<b>Assets</b>				
Cash and cash equivalents	\$ 1,916,480	\$ 202,356	\$ 232,737	\$ 2,351,573
Investments	-	-	824,706	824,706
Accounts receivable	17,985	-	4,542	22,527
Due from other governments	272,123	-	45,851	317,974
<b>Total assets</b>	<b>\$ 2,206,588</b>	<b>\$ 202,356</b>	<b>\$ 1,107,836</b>	<b>\$ 3,516,780</b>
<b>Liabilities</b>				
Accounts payable	\$ 97,412	\$ 10	\$ 32,092	\$ 129,514
Accrued liabilities	7,590	-	-	7,590
Due to other governments	2,581	-	-	2,581
Tax refunds payable	7,216	11,971	-	19,187
<b>Total liabilities</b>	<b>114,799</b>	<b>11,981</b>	<b>32,092</b>	<b>158,872</b>
<b>Fund balances</b>				
Restricted for:				
Major and local streets	2,009,105	-	-	2,009,105
Drug law enforcement	82,681	-	-	82,681
Public transportation	3	-	-	3
Debt service	-	190,375	824,706	1,015,081
Committed for capital projects	-	-	251,038	251,038
<b>Total fund balances</b>	<b>2,091,789</b>	<b>190,375</b>	<b>1,075,744</b>	<b>3,357,908</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,206,588</b>	<b>\$ 202,356</b>	<b>\$ 1,107,836</b>	<b>\$ 3,516,780</b>

# CITY OF YPSILANTI, MICHIGAN

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

Nonmajor Governmental Funds

For the Year Ended June 30, 2017

	Special Revenue	Debt Service	Capital Projects	Totals
<b>Revenues</b>				
Taxes and special assessments	\$ 1,085,339	\$ 1,361,760	\$ -	\$ 2,447,099
Licenses and permits	9,840	-	58,180	68,020
Intergovernmental	2,091,593	34,125	1,717,093	3,842,811
Investment earnings	10,840	1,425	2,024	14,289
Other revenues	83,286	-	-	83,286
<b>Total revenues</b>	<b>3,280,898</b>	<b>1,397,310</b>	<b>1,777,297</b>	<b>6,455,505</b>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	14,863	-	-	14,863
Public works	-	-	180,811	180,811
Refuse collection	884,179	-	-	884,179
Highways, streets and bridges	2,229,228	-	-	2,229,228
Public transportation	282,327	-	-	282,327
Tax tribunal refunds	(10,643)	1,519	-	(9,124)
<b>Debt service:</b>				
Principal	-	1,900,000	875,000	2,775,000
Interest and fiscal charges	-	375,016	796,242	1,171,258
Bond issuance costs	-	-	153,418	153,418
<b>Total expenditures</b>	<b>3,399,954</b>	<b>2,276,535</b>	<b>2,005,471</b>	<b>7,681,960</b>
Revenues under expenditures	(119,056)	(879,225)	(228,174)	(1,226,455)
<b>Other financing sources (uses)</b>				
Issuance of refunding bonds	-	-	8,455,000	8,455,000
Payment to refunding bond escrow agent	-	-	(9,423,777)	(9,423,777)
Premium on refunding bonds	-	-	1,122,195	1,122,195
Transfers in	219,919	970,065	-	1,189,984
Transfers out	(177,142)	(79,639)	-	(256,781)
<b>Total other financing sources (uses)</b>	<b>42,777</b>	<b>890,426</b>	<b>153,418</b>	<b>1,086,621</b>
Net changes in fund balances	(76,279)	11,201	(74,756)	(139,834)
Fund balances, beginning of year	2,168,068	179,174	1,150,500	3,497,742
<b>Fund balances, end of year</b>	<b>\$ 2,091,789</b>	<b>\$ 190,375</b>	<b>\$ 1,075,744</b>	<b>\$ 3,357,908</b>

CITY OF YPSILANTI, MICHIGAN

**Combining Balance Sheet**  
 Nonmajor Special Revenue Funds  
 June 30, 2017

	Major Streets	Local Streets	Garbage and Rubbish Collection	Police	Public Transportation	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 854,402	\$ 897,933	\$ 50,305	\$ 82,681	\$ 31,159	\$ 1,916,480
Accounts receivable	8,660	9,325	-	-	-	17,985
Due from other governments	205,547	66,576	-	-	-	272,123
<b>Total assets</b>	<b>\$ 1,068,609</b>	<b>\$ 973,834</b>	<b>\$ 50,305</b>	<b>\$ 82,681</b>	<b>\$ 31,159</b>	<b>\$ 2,206,588</b>
<b>Liabilities</b>						
Accounts payable	\$ 29,082	\$ 638	\$ 39,117	\$ -	\$ 28,575	\$ 97,412
Accrued liabilities	1,325	2,293	3,972	-	-	7,590
Due to other governments	-	-	-	-	2,581	2,581
Tax refunds payable	-	-	7,216	-	-	7,216
<b>Total liabilities</b>	<b>30,407</b>	<b>2,931</b>	<b>50,305</b>	<b>-</b>	<b>31,156</b>	<b>114,799</b>
<b>Fund balances</b>						
Restricted for:						
Major and local streets	1,038,202	970,903	-	-	-	2,009,105
Drug law enforcement	-	-	-	82,681	-	82,681
Public transportation	-	-	-	-	3	3
<b>Total fund balances</b>	<b>1,038,202</b>	<b>970,903</b>	<b>-</b>	<b>82,681</b>	<b>3</b>	<b>2,091,789</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,068,609</b>	<b>\$ 973,834</b>	<b>\$ 50,305</b>	<b>\$ 82,681</b>	<b>\$ 31,159</b>	<b>\$ 2,206,588</b>

CITY OF YPSILANTI, MICHIGAN

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
 Nonmajor Special Revenue Funds  
 For the Year Ended June 30, 2017

	Major Streets	Local Streets	Garbage and Rubbish Collection	Police	Public Transportation	Total
<b>Revenues</b>						
Taxes and special assessments	\$ -	\$ -	\$ 802,895	\$ -	\$ 282,444	\$ 1,085,339
Licenses and permits	5,340	4,500	-	-	-	9,840
Intergovernmental	1,747,425	344,168	-	-	-	2,091,593
Investment earnings	5,049	3,891	1,119	429	352	10,840
Other revenues	5,788	43,346	26,279	7,873	-	83,286
<b>Total revenues</b>	<b>1,763,602</b>	<b>395,905</b>	<b>830,293</b>	<b>8,302</b>	<b>282,796</b>	<b>3,280,898</b>
<b>Expenditures</b>						
Public safety	-	-	-	14,863	-	14,863
Refuse collection	-	-	884,179	-	-	884,179
Highways, streets and bridges	1,685,995	543,233	-	-	-	2,229,228
Public transportation	-	-	-	-	282,327	282,327
Tax tribunal refunds	-	-	(11,109)	-	466	(10,643)
<b>Total expenditures</b>	<b>1,685,995</b>	<b>543,233</b>	<b>873,070</b>	<b>14,863</b>	<b>282,793</b>	<b>3,399,954</b>
Revenues over (under) expenditures	77,607	(147,328)	(42,777)	(6,561)	3	(119,056)
<b>Other financing sources</b>						
Transfers in	-	177,142	42,777	-	-	219,919
Transfers out	(177,142)	-	-	-	-	(177,142)
<b>Total other financing sources (uses)</b>	<b>(177,142)</b>	<b>177,142</b>	<b>42,777</b>	<b>-</b>	<b>-</b>	<b>42,777</b>
Net changes in fund balances	(99,535)	29,814	-	(6,561)	3	(76,279)
Fund balances, beginning of year	1,137,737	941,089	-	89,242	-	2,168,068
<b>Fund balances, end of year</b>	<b>\$ 1,038,202</b>	<b>\$ 970,903</b>	<b>\$ -</b>	<b>\$ 82,681</b>	<b>\$ 3</b>	<b>\$ 2,091,789</b>

# CITY OF YPSILANTI, MICHIGAN

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

Budget and Actual - Major Streets Fund

For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
<b>Revenues</b>				
Licenses and permits	\$ 7,000	\$ 6,500	\$ 5,340	\$ (1,160)
Intergovernmental - state	1,793,227	1,860,085	1,747,425	(112,660)
Investment earnings	4,199	4,734	5,049	315
Other revenues	500	5,788	5,788	-
<b>Total revenues</b>	<b>1,804,926</b>	<b>1,877,107</b>	<b>1,763,602</b>	<b>(113,505)</b>
<b>Expenditures</b>				
Highways, streets and bridges:				
Street construction	1,006,000	1,266,629	914,308	(352,321)
Routine maintenance	440,707	482,110	403,673	(78,437)
Routine maintenance - bridges	6,000	10,000	6,932	(3,068)
Traffic services	106,134	108,478	103,725	(4,753)
Winter maintenance	115,657	85,352	51,937	(33,415)
Administration	81,270	76,010	71,104	(4,906)
Trunkline maintenance	133,651	116,396	134,316	17,920
<b>Total expenditures</b>	<b>1,889,419</b>	<b>2,144,975</b>	<b>1,685,995</b>	<b>(458,980)</b>
Revenues over (under) expenditures	(84,493)	(267,868)	77,607	345,475
<b>Other financing sources (uses)</b>				
Transfers out	(195,928)	(216,483)	(177,142)	39,341
<b>Net changes in fund balance</b>	<b>(280,421)</b>	<b>(484,351)</b>	<b>(99,535)</b>	<b>384,816</b>
Fund balance, beginning of year	1,137,737	1,137,737	1,137,737	-
<b>Fund balance, end of year</b>	<b>\$ 857,316</b>	<b>\$ 653,386</b>	<b>\$ 1,038,202</b>	<b>\$ 384,816</b>

# CITY OF YPSILANTI, MICHIGAN

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

Budget and Actual - Local Streets Fund

For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
<b>Revenues</b>				
Licenses and permits	\$ 3,800	\$ 4,500	\$ 4,500	\$ -
Intergovernmental - state	363,047	372,149	344,168	(27,981)
Investment earnings	2,357	3,423	3,891	468
Other revenues	62,200	51,376	43,346	(8,030)
<b>Total revenues</b>	<b>431,404</b>	<b>431,448</b>	<b>395,905</b>	<b>(35,543)</b>
<b>Expenditures</b>				
Highways, streets and bridges:				
Street construction	50,000	52,422	42,090	(10,332)
Routine maintenance	348,780	400,251	375,452	(24,799)
Traffic services	34,133	34,336	40,322	5,986
Winter maintenance	133,570	100,263	63,319	(36,944)
Administration	25,996	22,892	22,050	(842)
<b>Total expenditures</b>	<b>592,479</b>	<b>610,164</b>	<b>543,233</b>	<b>(66,931)</b>
Revenues (under) expenditures	(161,075)	(178,716)	(147,328)	31,388
<b>Other financing sources</b>				
Transfers in	162,928	183,483	177,142	(6,341)
<b>Net changes in fund balance</b>	<b>1,853</b>	<b>4,767</b>	<b>29,814</b>	<b>25,047</b>
Fund balance, beginning of year	941,089	941,089	941,089	-
<b>Fund balance, end of year</b>	<b>\$ 942,942</b>	<b>\$ 945,856</b>	<b>\$ 970,903</b>	<b>\$ 25,047</b>

# CITY OF YPSILANTI, MICHIGAN

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

Budget and Actual - Garbage and Rubbish Collection Fund

For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Revenues				
Taxes and special assessments	\$ 801,767	\$ 806,667	\$ 802,895	\$ (3,772)
Investment earnings	669	1,229	1,119	(110)
Other revenues	1,600	25,765	26,279	514
<b>Total revenues</b>	<b>804,036</b>	<b>833,661</b>	<b>830,293</b>	<b>(3,368)</b>
Expenditures				
Refuse collection	824,036	927,887	884,179	(43,708)
Tax tribunal refunds	3,000	-	(11,109)	(11,109)
<b>Total expenditures</b>	<b>827,036</b>	<b>927,887</b>	<b>873,070</b>	<b>(54,817)</b>
Revenues (under) expenditures	(23,000)	(94,226)	(42,777)	51,449
Other financing sources				
Transfers in	23,000	94,226	42,777	(51,449)
Net changes in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

# CITY OF YPSILANTI, MICHIGAN

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

Budget and Actual - Police Fund

For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Revenues				
Investment earnings	\$ 279	\$ 387	\$ 429	\$ 42
Other revenues	-	7,666	7,873	207
Total revenues	279	8,053	8,302	249
Expenditures				
Public safety	-	12,195	14,863	2,668
Net changes in fund balance	279	(4,142)	(6,561)	(2,419)
Fund balance, beginning of year	89,242	89,242	89,242	-
Fund balance, end of year	\$ 89,521	\$ 85,100	\$ 82,681	\$ (2,419)

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# CITY OF YPSILANTI, MICHIGAN

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

Budget and Actual - Public Transportation Fund

For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Revenues				
Taxes and special assessments	\$ 281,670	\$ 283,370	\$ 282,444	\$ (926)
Investment earnings	290	365	352	(13)
Total revenues	<u>281,960</u>	<u>283,735</u>	<u>282,796</u>	<u>(939)</u>
Expenditures				
Public transportation	280,460	282,835	282,327	(508)
Tax tribunal refunds	<u>1,500</u>	<u>900</u>	<u>466</u>	<u>(434)</u>
Total expenditures	<u>281,960</u>	<u>283,735</u>	<u>282,793</u>	<u>(942)</u>
Net changes in fund balance	-	-	3	3
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 3</u>

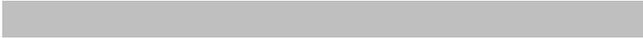
# CITY OF YPSILANTI, MICHIGAN

## Combining Balance Sheet

Nonmajor Debt Service Funds

June 30, 2017

	2002 General Obligation Bonds	2002-B Revenue Bonds	2016 Refunding Bonds Debt Service
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
<b>Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ -
Tax refunds payable	-	-	-
<b>Total liabilities</b>	-	-	-
<b>Fund balances</b>			
Restricted for debt service	-	-	-
<b>Total liabilities and fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



2010 Refunding Bonds Debt Service	2012 Refunding Bonds Debt Service	Total
<u>\$ -</u>	<u>\$ 202,356</u>	<u>\$ 202,356</u>
\$ -	\$ 10	\$ 10
-	11,971	11,971
-	11,981	11,981
-	190,375	190,375
<u>\$ -</u>	<u>\$ 202,356</u>	<u>\$ 202,356</u>

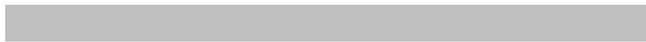
# CITY OF YPSILANTI, MICHIGAN

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

Nonmajor Debt Service Funds

For the Year Ended June 30, 2017

	2002 General Obligation Bonds	2002-B Revenue Bonds	2016 Refunding Bonds Debt Service
<b>Revenues</b>			
Taxes and special assessments	\$ -	\$ -	\$ -
Intergovernmental	-	34,125	-
Investment earnings	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>34,125</b>	<b>-</b>
<b>Expenditures</b>			
Tax tribunal refunds	-	-	-
Debt service:			
Principal	35,000	30,000	520,000
Interest and fiscal charges	3,148	4,125	332,675
<b>Total expenditures</b>	<b>38,148</b>	<b>34,125</b>	<b>852,675</b>
Revenues (under) expenditures	(38,148)	-	(852,675)
<b>Other financing sources</b>			
Transfers in	38,148	-	852,278
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>38,148</b>	<b>-</b>	<b>852,278</b>
Net changes in fund balances	-	-	(397)
Fund balances, beginning of year	-	-	397
Fund balances, end of year	\$ -	\$ -	\$ -



2010 Refunding Bonds Debt Service	2012 Refunding Bonds Debt Service	Total
\$ 684,653	\$ 677,107	\$ 1,361,760
-	-	34,125
<u>646</u>	<u>779</u>	<u>1,425</u>
<u>685,299</u>	<u>677,886</u>	<u>1,397,310</u>
(176)	1,695	1,519
670,000	645,000	1,900,000
<u>8,375</u>	<u>26,693</u>	<u>375,016</u>
<u>678,199</u>	<u>673,388</u>	<u>2,276,535</u>
<u>7,100</u>	<u>4,498</u>	<u>(879,225)</u>
-	79,639	970,065
<u>(79,639)</u>	<u>-</u>	<u>(79,639)</u>
<u>(79,639)</u>	<u>79,639</u>	<u>890,426</u>
(72,539)	84,137	11,201
<u>72,539</u>	<u>106,238</u>	<u>179,174</u>
<u>\$ -</u>	<u>\$ 190,375</u>	<u>\$ 190,375</u>

CITY OF YPSILANTI, MICHIGAN

**Combining Balance Sheet**

Nonmajor Capital Projects Funds  
June 30, 2017

	Sidewalk Improvement	2003-D Water Supply and Sewer	2004-B Water and Sewer	2003-C Water and Sewer	2006 Water and Sewer Refunding
<b>Assets</b>					
Cash and cash equivalents	\$ 232,737	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Due from other governments	45,851	-	-	-	-
<b>Total assets</b>	<u>\$ 278,588</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities</b>					
Accounts payable	\$ 27,550	\$ -	\$ -	\$ -	\$ -
<b>Fund balances</b>					
Restricted for debt service	-	-	-	-	-
Committed for capital projects	251,038	-	-	-	-
<b>Total fund balances</b>	<u>251,038</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	<u>\$ 278,588</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF YPSILANTI, MICHIGAN

**Combining Balance Sheet**

Nonmajor Capital Projects Funds

June 30, 2017

	2007 Water and Sewer DWRf	2008 Water and Sewer DWRf	2009 Water and Sewer DWRf	Factory Street Pump Station	2016 Water and Sewer Refunding	Totals
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 232,737
Investments	-	-	-	824,706	-	824,706
Accounts receivable	-	-	-	4,542	-	4,542
Due from other governments	-	-	-	-	-	45,851
<b>Total assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 829,248</u>	<u>\$ -</u>	<u>\$ 1,107,836</u>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ 4,542	\$ -	\$ 32,092
<b>Fund balances</b>						
Restricted for debt service	-	-	-	824,706	-	824,706
Committed for capital projects	-	-	-	-	-	251,038
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>824,706</u>	<u>-</u>	<u>1,075,744</u>
<b>Total liabilities and fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 829,248</u>	<u>\$ -</u>	<u>\$ 1,107,836</u>

CITY OF YPSILANTI, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Nonmajor Capital Projects Funds  
For the Year Ended June 30, 2017

	Sidewalk Improvement	2003-D Water Supply and Sewer	2004-B Water and Sewer	2003-C Water and Sewer	2006 Water and Sewer Refunding
<b>Revenues</b>					
Licenses and permits	\$ 58,180	\$ -	\$ -	\$ -	\$ -
Intergovernmental	45,851	337,500	389,228	48,500	439,862
Investment earnings (loss)	1,153	-	-	-	-
<b>Total revenues</b>	<b>105,184</b>	<b>337,500</b>	<b>389,228</b>	<b>48,500</b>	<b>439,862</b>
<b>Expenditures</b>					
Public works	175,376	-	-	-	-
Debt service:					
Principal	-	280,000	325,000	40,000	50,000
Interest and fiscal charges	-	57,500	64,228	8,500	389,862
Bond issuance costs	-	-	-	-	-
<b>Total expenditures</b>	<b>175,376</b>	<b>337,500</b>	<b>389,228</b>	<b>48,500</b>	<b>439,862</b>
Revenues over (under) expenditures	(70,192)	-	-	-	-
<b>Other financing sources (uses)</b>					
Issuance of refunding bonds	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-
Premium on refunding bonds	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net changes in fund balances	(70,192)	-	-	-	-
Fund balances, beginning of year	321,230	-	-	-	-
Fund balances, end of year	\$ 251,038	\$ -	\$ -	\$ -	\$ -

CITY OF YPSILANTI, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Nonmajor Capital Projects Funds  
For the Year Ended June 30, 2017

	2007 Water and Sewer DWRf	2008 Water and Sewer DWRf	2009 Water and Sewer DWRf	Factory Street Pump Station	2016 Water and Sewer Refunding	Totals
<b>Revenues</b>						
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,180
Intergovernmental	18,957	27,231	7,663	185,250	188,185	1,717,093
Investment earnings	-	-	-	871	-	2,024
<b>Total revenues</b>	<b>18,957</b>	<b>27,231</b>	<b>7,663</b>	<b>186,121</b>	<b>188,185</b>	<b>1,777,297</b>
<b>Expenditures</b>						
Public works	-	-	-	5,435	-	180,811
<b>Debt service:</b>						
Principal	15,000	20,000	5,000	120,000	-	875,000
Interest and fiscal charges	3,957	7,231	2,663	65,250	188,185	796,242
Bond issuance costs	-	-	-	-	153,418	153,418
<b>Total expenditures</b>	<b>18,957</b>	<b>27,231</b>	<b>7,663</b>	<b>190,685</b>	<b>341,603</b>	<b>2,005,471</b>
Revenues over (under) expenditures	-	-	-	(4,564)	(153,418)	(228,174)
<b>Other financing sources (uses)</b>						
Issuance of refunding bonds	-	-	-	-	8,455,000	8,455,000
Payment to refunding bond escrow agent	-	-	-	-	(9,423,777)	(9,423,777)
Premium on refunding bonds	-	-	-	-	1,122,195	1,122,195
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>153,418</b>	<b>153,418</b>
Net changes in fund balances	-	-	-	(4,564)	-	(74,756)
Fund balances, beginning of year	-	-	-	829,270	-	1,150,500
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 824,706</b>	<b>\$ -</b>	<b>\$ 1,075,744</b>

# CITY OF YPSILANTI, MICHIGAN

## Combining Statement of Net Position

Internal Service Funds

June 30, 2017

	Motor Pool	Workers' Compensation	Retiree Health Care Benefits	Total
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 939,041	\$ 226,001	\$ 1,536,767	\$ 2,701,809
Investments	781,816	495,313	-	1,277,129
Accounts receivable	6,123	17,577	9,442	33,142
Inventory	25,633	-	-	25,633
Prepaid items	-	49,086	78,351	127,437
<b>Total current assets</b>	<b>1,752,613</b>	<b>787,977</b>	<b>1,624,560</b>	<b>4,165,150</b>
Noncurrent assets - capital assets, net	1,755,505	-	-	1,755,505
<b>Total assets</b>	<b>3,508,118</b>	<b>787,977</b>	<b>1,624,560</b>	<b>5,920,655</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and accrued liabilities	10,964	8,051	1,169	20,184
Current portion of capital leases payable	21,950	-	-	21,950
Current portion of claims payable	-	154,778	-	154,778
<b>Total current liabilities</b>	<b>32,914</b>	<b>162,829</b>	<b>1,169</b>	<b>196,912</b>
Noncurrent liabilities:				
Capital leases payable, net	69,798	-	-	69,798
Claims payable, net	-	103,185	-	103,185
<b>Total noncurrent liabilities</b>	<b>69,798</b>	<b>103,185</b>	<b>-</b>	<b>172,983</b>
<b>Total liabilities</b>	<b>102,712</b>	<b>266,014</b>	<b>1,169</b>	<b>369,895</b>
<b>Net position</b>				
Net investment in capital assets	1,663,757	-	-	1,663,757
Unrestricted	1,741,649	521,963	1,623,391	3,887,003
<b>Total net position</b>	<b>\$ 3,405,406</b>	<b>\$ 521,963</b>	<b>\$ 1,623,391</b>	<b>\$ 5,550,760</b>

# CITY OF YPSILANTI, MICHIGAN

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

Internal Service Funds

For the Year Ended June 30, 2017

	Motor Pool	Workers' Compensation	Retiree Health Care Benefits	Total
Operating revenues				
Charges for services	\$ 812,811	\$ 83,314	\$ 1,392,235	\$ 2,288,360
Operating expenses				
Salaries, taxes and benefits	195,629	-	-	195,629
Gas, oil and fuel	92,479	-	-	92,479
Depreciation	439,145	-	-	439,145
Operation and maintenance	138,643	3	-	138,646
Contractual services and fees	108,648	3,018	-	111,666
Insurance and other	65,003	-	-	65,003
Benefits and claims	-	63,954	1,205,767	1,269,721
Total operating expenses	1,039,547	66,975	1,205,767	2,312,289
Operating income (loss)	(226,736)	16,339	186,468	(23,929)
Nonoperating revenues				
Investment income	10,311	8,900	6,783	25,994
Interest expense	(3,465)	-	-	(3,465)
Gain on sale of equipment	32,603	-	-	32,603
Total nonoperating revenues	39,449	8,900	6,783	55,132
Change in net position	(187,287)	25,239	193,251	31,203
Net position, beginning of year	3,592,693	496,724	1,430,140	5,519,557
Net position, end of year	\$ 3,405,406	\$ 521,963	\$ 1,623,391	\$ 5,550,760

CITY OF YPSILANTI, MICHIGAN

**Combining Statement of Cash Flows**

Internal Service Funds

For the Year Ended June 30, 2017

	Motor Pool	Workers' Compensation	Retiree Health Care Benefits	Total
<b>Cash flows from operating activities</b>				
Cash received from interfund services	\$ 814,152	\$ 80,737	\$ 1,387,637	\$ 2,282,526
Cash payments to employees	(195,629)	-	-	(195,629)
Cash payments for claims	-	(140,815)	(1,212,137)	(1,352,952)
Cash payments to suppliers for goods and services	(413,746)	(45,455)	(5,495)	(464,696)
<b>Net cash provided by (used in) operating activities</b>	<b>204,777</b>	<b>(105,533)</b>	<b>170,005</b>	<b>269,249</b>
<b>Cash flows from capital and related financing activities</b>				
Purchase of capital assets	(450,440)	-	-	(450,440)
Principal paid on capital lease	(21,324)	-	-	(21,324)
Interest paid on capital lease	(3,465)	-	-	(3,465)
Proceeds from sale of capital assets	32,603	-	-	32,603
<b>Net cash used in capital and related financing activities</b>	<b>(442,626)</b>	<b>-</b>	<b>-</b>	<b>(442,626)</b>
<b>Cash flows from investing activities</b>				
Maturity of investments	(741,228)	(176,862)	-	(918,090)
Investment income	10,311	8,900	6,783	25,994
<b>Net cash provided by investing activities</b>	<b>(730,917)</b>	<b>(167,962)</b>	<b>6,783</b>	<b>(892,096)</b>
<b>Net change in cash and cash equivalents</b>	<b>(968,766)</b>	<b>(273,495)</b>	<b>176,788</b>	<b>(1,065,473)</b>
Cash and cash equivalents, beginning of year	1,907,807	499,496	1,359,979	3,767,282
Cash and cash equivalents, end of year	\$ 939,041	\$ 226,001	\$ 1,536,767	\$ 2,701,809
<b>Reconciliation of operating income (loss) to net cash provided (used) in operating activities</b>				
Operating income (loss)	\$ (226,736)	\$ 16,339	\$ 186,468	\$ (23,929)
Adjustments to reconcile operating income (loss) to net cash provided (used) in operating activities:				
Depreciation	439,145	-	-	439,145
Changes in:				
Accounts receivable	1,341	(2,577)	(4,598)	(5,834)
Inventory	(3,262)	-	-	(3,262)
Prepaid items	-	(49,086)	(5,495)	(54,581)
Accounts payable and accrued liabilities	(5,711)	6,652	(6,370)	(5,429)
Claims payable	-	(76,861)	-	(76,861)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 204,777</b>	<b>\$ (105,533)</b>	<b>\$ 170,005</b>	<b>\$ 269,249</b>

CITY OF YPSILANTI, MICHIGAN

**Statement of Changes in Assets and Liabilities**

Current Tax Agency Fund  
For the Year Ended June 30, 2017

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<b>Assets</b>				
Cash and cash equivalents	\$ 4,093	\$ 34,192,643	\$ 34,196,736	\$ -
<b>Liabilities</b>				
Undistributed receipts	\$ 4,093	\$ 34,192,643	\$ 34,196,736	\$ -

CITY OF YPSILANTI, MICHIGAN

Statement of Net Position and Governmental Funds Balance Sheet

Downtown Development Authority Component Unit

June 30, 2017

	General Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
<b>Assets</b>					
Cash and cash equivalents	\$ 91,517	\$ -	\$ 91,517	\$ -	\$ 91,517
Accounts receivable	6,668	-	6,668	-	6,668
Prepaid items	345	-	345	-	345
Capital assets being depreciated, net	-	-	-	1,512,885	1,512,885
<b>Total assets</b>	<b>\$ 98,530</b>	<b>\$ -</b>	<b>\$ 98,530</b>	<b>1,512,885</b>	<b>1,611,415</b>
<b>Liabilities</b>					
Accounts payable	\$ 4,483	\$ -	\$ 4,483	-	4,483
Accrued liabilities	1,007	-	1,007	3,709	4,716
Long-term liabilities:					
Due within one year	-	-	-	60,000	60,000
Due in more than one year	-	-	-	440,000	440,000
<b>Total liabilities</b>	<b>5,490</b>	<b>-</b>	<b>5,490</b>	<b>503,709</b>	<b>509,199</b>
<b>Fund balances / net position</b>					
Unassigned	93,040	-	93,040	(93,040)	-
<b>Total liabilities and fund balances</b>	<b>\$ 98,530</b>	<b>\$ -</b>	<b>\$ 98,530</b>		
<b>Net position</b>					
Net investment in capital assets				1,012,885	1,012,885
Unrestricted				89,331	89,331
<b>Total net position</b>				<b>\$ 1,102,216</b>	<b>\$ 1,102,216</b>

CITY OF YPSILANTI, MICHIGAN

**Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance**  
 Downtown Development Authority Component Unit  
 For the Year Ended June 30, 2017

	General Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Expenditures/expenses					
Community development	\$ 188,442	\$ -	\$ 188,442	\$ 68,601	\$ 257,043
Debt service:					
Principal	-	60,000	60,000	(60,000)	-
Interest and fiscal charges	-	25,488	25,488	(131)	25,357
<b>Total expenditures/expenses</b>	<b>188,442</b>	<b>85,488</b>	<b>273,930</b>	<b>8,470</b>	<b>282,400</b>
General revenues					
Property taxes	230,482	-	230,482	-	230,482
Other revenues	59,233	-	59,233	-	59,233
Investment earnings	528	-	528	-	528
<b>Total general revenues</b>	<b>290,243</b>	<b>-</b>	<b>290,243</b>	<b>-</b>	<b>290,243</b>
General revenues over (under) expenditures/expenses	101,801	(85,488)	16,313	(8,470)	7,843
Other financing sources (uses)					
Transfers in	-	85,488	85,488	(85,488)	-
Transfers out	(85,488)	-	(85,488)	85,488	-
<b>Total other financing sources (uses)</b>	<b>(85,488)</b>	<b>85,488</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net changes in fund balances	16,313	-	16,313	(16,313)	-
Change in net position	-	-	-	7,843	7,843
Fund balance/net position, beginning of year	76,727	-	76,727	1,017,646	1,094,373
<b>Fund balance/net position, end of year</b>	<b>\$ 93,040</b>	<b>\$ -</b>	<b>\$ 93,040</b>	<b>\$ 1,009,176</b>	<b>\$ 1,102,216</b>

# CITY OF YPSILANTI, MICHIGAN

## Statement of Net Position and Governmental Funds Balance Sheet

Depot Town Downtown Development Authority Component Unit

June 30, 2017

	General Fund	Adjustments	Statement of Net Position
<b>Assets</b>			
Cash and cash equivalents	\$ 256,117	\$ -	\$ 256,117
Accounts receivable	515	-	515
Prepaid items	155	-	155
Capital assets being depreciated, net	-	281,056	281,056
<b>Total assets</b>	<b>\$ 256,787</b>	<b>281,056</b>	<b>537,843</b>
<b>Liabilities</b>			
Accounts payable	\$ 1,930	-	1,930
<b>Fund balances / net position</b>			
Unassigned	254,857	(254,857)	-
<b>Total liabilities and fund balances</b>	<b>\$ 256,787</b>		
<b>Net position</b>			
Net investment in capital assets		281,056	281,056
Unrestricted		254,857	254,857
<b>Total net position</b>		<b>\$ 535,913</b>	<b>\$ 535,913</b>

# CITY OF YPSILANTI, MICHIGAN

## Statement of Activities and Governmental Fund Revenues, Expenditures

and Changes in Fund Balances

Depot Town Downtown Development Authority Component Unit

For the Year Ended June 30, 2017

	General Fund	Adjustments	Statement of Activities
Expenditures/expenses			
Community development	\$ 89,507	\$ 17,313	\$ 106,820
General revenues			
Property taxes	104,398	-	104,398
Investment earnings	1,580	-	1,580
Total general revenues	105,978	-	105,978
Net change in fund balance	16,471	(16,471)	-
Change in net position	-	(842)	(842)
Fund balance/net position, beginning of year	238,386	298,369	536,755
Fund balance/net position, end of year	\$ 254,857	\$ 281,056	\$ 535,913

# CITY OF YPSILANTI, MICHIGAN

## Statement of Net Position and Governmental Funds Balance Sheet Economic Development Corporation Component Unit June 30, 2017

	General Fund	Adjustments	Statement of Net Position
<b>Assets</b>			
Cash and cash equivalents	\$ 48,594	\$ -	\$ 48,594
Due from other governments	20,980	-	20,980
Capital assets not being depreciated	-	53,200	53,200
<b>Total assets</b>	<u>\$ 69,574</u>	<u>53,200</u>	<u>122,774</u>
<b>Liabilities</b>			
Accounts payable / accrued liabilities	\$ 36,159	-	36,159
<b>Fund balances / net position</b>			
Unassigned	33,415	(33,415)	-
<b>Total liabilities and fund balances</b>	<u>\$ 69,574</u>		
<b>Net position</b>			
Investment in capital assets		53,200	53,200
Unrestricted		33,415	33,415
<b>Total net position</b>		<u>\$ 86,615</u>	<u>\$ 86,615</u>

# CITY OF YPSILANTI, MICHIGAN

## Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance Economic Development Corporation Component Unit For the Year Ended June 30, 2017

	General Fund	Adjustments	Statement of Activities
Expenditures/expenses			
Community development	\$ 1,180	\$ -	\$ 1,180
General revenues			
Investment earnings	186	-	186
Net changes in fund balances	(994)	994	-
Change in net position	-	(994)	(994)
Fund balance/net position, beginning of year	34,409	53,200	87,609
Fund balance/net position, end of year	<u>\$ 33,415</u>	<u>\$ 53,200</u>	<u>\$ 86,615</u>

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## STATISTICAL SECTION

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# CITY OF YPSILANTI, MICHIGAN

## Statistical Section

This part of the City of Ypsilanti's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health

CONTENTS	<u>Page</u>
<b>Financial Trends (schedules 1 thru 4)</b>	
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	104
<b>Revenue Capacity (schedules 5 thru 8)</b>	
These schedules contain information to help the reader assess the government's most significant local sources: property taxes and water and wastewater usage fees.	112
<b>Debt Capacity (schedules 9 thru 13)</b>	
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	116
<b>Demographic and Economic Information (schedules 14 and 15)</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	122
<b>Operating Information (schedules 16 thru 19)</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	124

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

## CITY OF YPSILANTI, MICHIGAN

### Net Position by Component

Last Ten Years

*(accrual basis of accounting)*

	2008	2009	2010	2011
Governmental activities				
Net investment in				
capital assets	\$ 15,179,422	\$ 15,117,105	\$ 14,987,983	\$ 16,952,331
Restricted	10,909,451	10,406,691	10,975,911	11,357,896
Unrestricted (deficit)	<u>(9,406,528)</u>	<u>(6,404,471)</u>	<u>(6,202,344)</u>	<u>(6,850,753)</u>
 Total governmental activities				
net position	<u>\$ 16,682,345</u>	<u>\$ 19,119,325</u>	<u>\$ 19,761,550</u>	<u>\$ 21,459,474</u>

Source: City of Ypsilanti Finance Department

Note: GASB 68 implemented in fiscal 2015.

Schedule 1  
Unaudited



2012	2013	2014	2015	2016	2017
\$ 16,911,390	\$ 15,636,305	\$ 16,524,392	\$ 16,749,695	\$ 18,147,399	\$ 16,659,020
11,083,068	7,631,866	4,545,511	5,526,780	3,204,405	2,824,145
<u>(7,091,726)</u>	<u>(6,545,637)</u>	<u>(5,553,659)</u>	<u>(15,426,971)</u>	<u>(12,992,909)</u>	<u>(13,668,755)</u>
<u>\$ 20,902,732</u>	<u>\$ 16,722,534</u>	<u>\$ 15,516,244</u>	<u>\$ 6,849,504</u>	<u>\$ 8,358,895</u>	<u>\$ 5,814,410</u>

# CITY OF YPSILANTI, MICHIGAN

## Changes in Net Position

Last Ten Years

(accrual basis of accounting)

	2008	2009	2010	2011
<b>Expenses</b>				
General government	\$ 2,212,245	\$ 2,788,130	\$ 3,075,617	\$ 3,326,238
Public safety	9,618,481	8,563,993	8,638,877	8,257,558
Public works	2,084,186	1,935,048	2,031,833	1,980,913
Highways, streets, and bridges	2,562,769	3,165,639	3,612,341	1,192,916
Culture and recreation	570,113	465,538	435,711	69,221
Community development	340,815	330,041	229,274	189,050
Public transportation	-	-	-	-
Interest on long-term debt	2,834,154	2,710,134	2,748,116	2,481,838
<b>Total expenses</b>	<b>20,222,763</b>	<b>19,958,523</b>	<b>20,771,769</b>	<b>17,497,734</b>
<b>Program revenues</b>				
Charges for services:				
General government	1,097,252	1,445,822	1,153,950	1,121,010
Public safety	720,555	947,998	959,591	1,098,886
Highways, streets and bridges	-	-	-	-
Community development	1,250	1,200	1,200	1,200
Operating grants and contributions	3,504,349	3,734,396	4,930,921	3,585,313
Capital grants and contributions	672,269	94,250	110,078	609,256
<b>Total program revenues</b>	<b>5,995,675</b>	<b>6,223,666</b>	<b>7,155,740</b>	<b>6,415,665</b>
<b>Net (expense) / revenue</b>	<b>(14,227,088)</b>	<b>(13,734,857)</b>	<b>(13,616,029)</b>	<b>(11,082,069)</b>
<b>General revenues</b>				
Property taxes	11,503,422	12,098,938	11,417,456	9,907,455
Unrestricted grants and contributions	3,070,879	3,000,840	2,671,507	2,670,643
Unrestricted investment earnings (loss)	1,223,621	817,091	169,291	201,895
<b>Total general revenues</b>	<b>15,797,922</b>	<b>15,916,869</b>	<b>14,258,254</b>	<b>12,779,993</b>
<b>Special item</b>				
Change in fair value of land held for resale	-	-	-	-
<b>Change in net position</b>	<b>\$ 1,570,834</b>	<b>\$ 2,182,012</b>	<b>\$ 642,225</b>	<b>\$ 1,697,924</b>

Source: City of Ypsilanti Finance Department

Table 2  
Unaudited

2012	2013	2014	2015	2016	2017
\$ 2,866,101	\$ 2,083,855	\$ 1,690,255	\$ 2,894,307	\$ 4,294,933	\$ 3,084,786
8,601,201	7,908,177	8,878,722	9,667,739	10,198,973	8,961,050
2,015,694	4,067,582	5,542,347	1,815,800	2,034,380	1,925,326
2,823,389	3,921,320	3,143,348	3,732,864	3,049,680	3,825,640
367,484	408,367	366,668	419,667	911,753	1,095,758
184,244	292,867	255,416	361,966	404,780	454,835
262,320	308,564	275,386	268,428	316,471	282,793
2,329,834	2,095,288	2,103,523	1,858,619	1,654,899	1,218,241
<u>19,450,267</u>	<u>21,086,020</u>	<u>22,255,665</u>	<u>21,019,390</u>	<u>22,865,869</u>	<u>20,848,429</u>
1,241,641	1,419,828	2,320,700	1,780,054	2,258,965	1,738,729
935,124	1,197,437	786,308	722,075	763,522	1,041,006
93,722	-	-	-	-	-
1,200	1,500	1,552	1,500	1,500	-
2,712,064	4,282,348	3,829,486	4,697,877	6,574,946	2,547,760
322,858	24,258	692,619	176,177	1,525,918	59,983
<u>5,306,609</u>	<u>6,925,371</u>	<u>7,630,665</u>	<u>7,377,683</u>	<u>11,124,851</u>	<u>5,387,478</u>
<u>(14,143,658)</u>	<u>(14,160,649)</u>	<u>(14,625,000)</u>	<u>(13,641,707)</u>	<u>(11,741,018)</u>	<u>(15,460,951)</u>
10,555,401	10,309,164	10,656,453	10,606,608	10,452,347	10,582,364
2,256,140	2,342,612	2,420,667	2,483,001	2,555,299	3,033,942
775,375	(13,260)	341,590	368,451	242,763	68,510
<u>13,586,916</u>	<u>12,638,516</u>	<u>13,418,710</u>	<u>13,458,060</u>	<u>13,250,409</u>	<u>13,684,816</u>
-	(1,995,335)	-	-	-	(768,350)
<u>\$ (556,742)</u>	<u>\$ (3,517,468)</u>	<u>\$ (1,206,290)</u>	<u>\$ (183,647)</u>	<u>\$ 1,509,391</u>	<u>\$ (2,544,485)</u>

# CITY OF YPSILANTI, MICHIGAN

## Fund Balances - Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2008	2009	2010	2011
<b>General fund</b>				
Nonspendable				\$ 269,199
Committed				5,579,241
Assigned				-
Unassigned				3,545,913
Reserved	\$ 284,902	\$ 208,839	\$ 206,175	-
Unreserved, designated	3,995,995	6,312,543	6,820,988	-
Unreserved, undesignated	2,969,171	2,947,235	2,436,793	-
<b>Total general fund</b>	<b>7,250,068</b>	<b>9,468,617</b>	<b>9,463,956</b>	<b>9,394,353</b>
<b>All other governmental funds</b>				
Nonspendable				4,763,817
Restricted				5,671,778
Committed				922,301
Unassigned (deficit)				-
Reserved	6,788,292	6,620,715	6,302,934	-
Unreserved, designated	609,332	609,332	309,560	-
Unreserved, undesignated				
reported in:				
Special revenue funds	1,858,287	1,740,343	2,664,551	-
Debt service funds	1,655,707	1,773,204	1,787,942	-
Capital projects funds	1,169,857	824,485	861,140	-
<b>Total all other governmental funds</b>	<b>12,081,475</b>	<b>11,568,079</b>	<b>11,926,127</b>	<b>11,357,896</b>
<b>Total governmental funds</b>	<b>\$ 19,331,543</b>	<b>\$ 21,036,696</b>	<b>\$ 21,390,083</b>	<b>\$ 20,752,249</b>

Note: GASB 54 first adopted and implemented in fiscal 2011, hence the change fund balance presentation.

Source: City of Ypsilanti Finance Department

Table 3  
Unaudited

2012	2013	2014	2015	2016	2017
\$ 344,707	\$ 329,819	\$ 348,324	\$ 393,356	\$ 343,892	\$ 336,731
4,378,434	6,008,192	4,631,779	5,260,352	3,485,701	1,632,133
-	-	-	-	1,130,833	-
3,936,006	2,201,556	2,968,262	2,530,473	852,096	3,996,055
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>8,659,147</u>	<u>8,539,567</u>	<u>7,948,365</u>	<u>8,184,181</u>	<u>5,812,522</u>	<u>5,964,919</u>
4,763,817	2,768,482	1,900,300	1,934,877	2,019,100	-
4,869,060	5,327,431	3,069,197	5,979,102	3,539,698	3,106,870
1,411,547	1,061,201	1,084,209	753,262	2,193,435	3,055,162
(23,938)	(168,166)	1,832,262	(34,577)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>11,020,486</u>	<u>8,988,948</u>	<u>7,885,968</u>	<u>8,632,664</u>	<u>7,752,233</u>	<u>6,162,032</u>
<u>\$ 19,679,633</u>	<u>\$ 17,528,515</u>	<u>\$ 15,834,333</u>	<u>\$ 16,816,845</u>	<u>\$ 13,564,755</u>	<u>\$ 12,126,951</u>

# CITY OF YPSILANTI, MICHIGAN

## Changes in Fund Balances - Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2008	2009	2010	2011
<b>Revenues</b>				
Taxes and special assessments	\$ 11,503,422	\$ 12,098,938	\$ 11,417,456	\$ 9,907,455
Licenses and permits	665,684	657,459	530,812	666,586
Intergovernmental	7,826,046	7,667,265	7,880,092	8,369,061
Charges for services	416,730	582,283	533,974	542,669
Fines and forfeits	394,089	445,965	475,530	597,265
Investment earnings	912,077	743,107	35,676	165,346
Other revenues	534,781	840,477	716,969	541,067
<b>Total revenues</b>	<b>22,252,829</b>	<b>23,035,494</b>	<b>21,590,509</b>	<b>20,789,449</b>
<b>Expenditures</b>				
General government	2,409,836	2,170,189	2,127,907	2,433,291
Public safety	8,744,920	8,431,824	8,182,781	8,326,438
Public works	997,305	1,194,766	912,196	848,754
Refuse collection	1,171,953	1,184,977	1,078,414	1,065,037
Highways, streets and bridges	1,973,109	1,691,811	1,540,487	1,592,516
Culture and recreation	446,196	358,179	457,372	348,756
Community development	178,636	146,167	544,408	498,817
Public transportation	-	226,756	158,967	218,000
Unallocated employee benefits	1,161,692	1,188,986	964,144	878,085
Tax tribunal refunds	-	-	-	-
Debt service:				
Principal	2,501,875	2,627,079	2,738,504	2,970,000
Interest and fiscal charges	2,767,662	2,692,892	2,705,052	2,561,716
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>22,353,184</b>	<b>21,913,626</b>	<b>21,410,232</b>	<b>21,741,410</b>
Revenues over (under) expenditures	(100,355)	1,121,868	180,277	(951,961)
<b>Other financing sources (uses)</b>				
Transfers in	999,347	1,219,140	2,300,123	1,639,043
Transfers out	(899,683)	(1,187,059)	(2,214,414)	(1,431,863)
Issuance of debt	297,596	503,958	87,401	3,856,253
Bond premium (discount)	-	-	-	-
Payment to refunding escrow agent	-	-	-	(3,749,306)
<b>Total other financing sources (uses)</b>	<b>397,260</b>	<b>536,039</b>	<b>173,110</b>	<b>314,127</b>
Special item - change in market value of land held for resale	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ 296,905</b>	<b>\$ 1,657,907</b>	<b>\$ 353,387</b>	<b>\$ (637,834)</b>
Debt service as a percentage of noncapital expenditures	25.1%	25.2%	25.8%	29.9%

Source: City of Ypsilanti Finance Department

Table 4  
Unaudited

2012	2013	2014	2015	2016	2017
\$ 10,555,401	\$ 10,309,164	\$ 10,656,453	\$ 10,606,608	\$ 10,452,347	\$ 10,582,364
734,250	748,417	648,881	867,227	822,818	880,933
6,678,576	7,112,100	6,851,138	9,076,428	9,002,708	8,232,651
448,341	733,730	417,906	475,814	471,898	635,838
516,393	499,099	414,468	315,907	356,170	446,318
413,204	(33,737)	182,666	270,174	178,039	42,641
680,652	671,558	1,710,943	1,193,807	1,434,652	769,796
<u>20,026,817</u>	<u>20,040,331</u>	<u>20,882,455</u>	<u>22,805,965</u>	<u>22,718,632</u>	<u>21,590,541</u>
2,141,990	2,214,452	2,287,975	2,797,658	2,629,465	2,408,251
8,093,201	7,264,800	7,806,628	8,048,474	7,954,140	7,853,131
788,210	2,085,725	3,597,878	902,141	1,193,485	997,658
1,041,143	1,112,773	1,017,678	859,180	833,639	884,179
1,740,226	1,806,267	1,476,912	2,318,364	2,523,389	2,229,228
300,134	284,251	1,136,746	309,980	2,174,842	1,048,105
75,033	92,208	32,448	55,522	46,002	-
262,183	308,175	274,846	267,238	315,229	282,327
950,627	1,043,139	928,133	727,865	884,137	886,100
397,353	13,735	12,712	260,020	49,000	(11,536)
3,175,000	3,340,000	3,535,000	3,665,000	5,985,000	4,270,000
2,326,442	2,204,172	2,157,920	1,883,263	1,781,392	1,412,552
-	-	-	-	209,618	153,418
<u>21,291,542</u>	<u>21,769,697</u>	<u>24,264,876</u>	<u>22,094,705</u>	<u>26,579,338</u>	<u>22,413,413</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>
2,122,966	6,759,280	4,928,666	2,140,163	4,614,790	1,610,549
(1,930,857)	(6,470,040)	(4,717,299)	(2,084,574)	(4,614,790)	(1,610,549)
-	5,372,551	8,993,185	215,663	10,838,601	8,455,000
-	(83,208)	433,687	-	60,015	1,122,195
-	(4,005,000)	(7,950,000)	-	(10,290,000)	(9,423,777)
<u>192,109</u>	<u>1,573,583</u>	<u>1,688,239</u>	<u>271,252</u>	<u>608,616</u>	<u>153,418</u>
-	(1,995,335)	-	-	-	(768,350)
<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>27.7%</u>	<u>26.3%</u>	<u>25.4%</u>	<u>26.7%</u>	<u>33.4%</u>	<u>26.6%</u>

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

Tax Year	Fiscal Year Ended	Real Property (1)		Personal Property (1)		Total		Total Direct Tax Rate
		Taxable Value	(2) Assessed Value	Taxable Value	(2) Assessed Value	Taxable Value	(2) Assessed Value	
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
2008	2009	353,840,502	436,827,206	48,803,200	48,803,200	402,643,702	485,630,406	30.6016
2007	2008	358,621,343	471,237,912	55,108,200	55,215,000	413,729,543	526,452,912	29.5795

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

(2) Estimated actual value equals the assessed value.

Source: City of Ypsilanti Assessing Division

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

Fiscal Year Ended June 30,	City	Ypsilanti Public Schools	State Education Tax	Washtenaw Intermediate School District	County	Washtenaw Community College	Ypsilanti District Library	Ann Arbor Area Transit Authority	Totals	
									Homestead	Non-Homestead
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	66.0004	84.0004
2014	36.4947	25.0000	6.0000	3.9745	5.7801	3.4576	2.8102	-	65.5171	83.5171
2013	35.2060	25.0000	6.0000	3.9745	5.7654	3.6376	2.7845	-	64.3680	82.3680
2012	33.6731	25.0000	6.0000	3.9745	5.7518	3.7176	2.7410	-	62.8580	80.8580
2011	31.5314	25.0000	6.0000	3.9745	5.7448	3.6856	2.1574	-	60.0937	78.0937
2010	30.8592	24.2000	6.0000	3.9745	5.7418	3.6856	2.1575	-	58.6186	76.6186
2009	30.6016	25.0000	6.0000	3.9745	5.7018	3.6856	2.1553	-	59.1188	77.1188
2008	29.5795	25.0000	6.0000	3.9745	5.6768	3.6956	2.1553	-	58.0817	76.0817

Components of City Millage Rate							
Fiscal Year Ended June 30,	General Operating	Sanitation	Streets	Public Transport	Police and Fire Pension	YCUA Debt	Total
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
2009	19.0211	2.7814	3.7170	-	5.0821	-	30.6016
2008	19.0211	2.7814	3.3376	-	4.4394	-	29.5795

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

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

Taxpayer	2017			2007		
	Taxable Value	Rank	Percent of Total Taxable Value	Taxable Value	Rank	Percent of Total Taxable Value
DTE Energy	\$ 6,285,300	1	2.11%	\$ 8,400,900	3	-
LeForge Station II, LLC	4,888,828	2	1.64%	9,155,800	2	2.21%
CPI Apartments Fund 18 LLC	3,612,319	3	1.21%	-	-	-
Forrest Knoll Apartments	1,872,434	4	0.63%	-	-	-
Ypsilanti Realty Holdings LLC	1,622,100	5	0.55%	-	-	-
Erie Investments No.15 LLC	1,554,048	6	0.52%	-	-	-
FHMC Real Estate	1,537,498	7	0.52%	-	-	-
Huron View Properties LLC	1,511,096	8	0.51%	1,666,317	9	0.40%
Riverrain Apartments	1,438,725	9	0.48%	2,178,241	8	0.53%
COMCAST of the South, INC	1,185,500	10	0.40%	-	-	-
Automotive CH LLC/Visteon Corp	-	-	-	35,571,500	1	8.58%
University Housing LeForge, LLC	-	-	-	3,483,519	4	0.84%
Forest Health Services, LLC	-	-	-	3,229,495	5	0.78%
Chatham Capital Corporation	-	-	-	2,739,500	6	0.66%
Chidester 2005, LLC	-	-	-	2,253,200	7	0.54%
Parkview Apartments	-	-	-	1,617,305	10	0.39%
	<u>\$25,507,848</u>		<u>8.58%</u>	<u>\$70,295,777</u>		<u>14.93%</u>

Source: City of Ypsilanti Assessing Division

**Property Tax Levies and Collections**  
Last Ten Years

(1) Fiscal Year Ended June 30,	(2) Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		(3) Delinquent Collections	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
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%
2009	9,682,649	8,867,407	91.6%	716,759	9,584,166	99.0%
2008	9,710,088	8,824,251	90.9%	798,331	9,622,582	99.1%

(1) Property taxes are levied July 1 of the current fiscal year based on taxable property values as of the preceding December 31. Summer taxes become delinquent as of September 15. Winter Taxes become delinquent as of February 15. The City's delinquent real property taxes are purchased by the Washtenaw County Delinquent Uncollected Tax Revolving Fund. Uncollected Personal property taxes are sent to the Ypsilanti Credit Bureau on June 1 for collection.

(2) Includes Industrial Facility Tax.

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

Source: City of Ypsilanti Treasury Division

## CITY OF YPSILANTI, MICHIGAN

### Ratios of Outstanding Debt by Type Last Ten Years

	2008	2009	2010	2011
Governmental activities				
General obligation bonds	\$ 27,750,000	\$ 26,800,000	\$ 25,805,000	\$ 24,560,000
Revenue bonds	35,797,596	34,776,554	33,277,955	31,616,984
Unamortized premium	-	-	-	-
Installment obligations	3,399,933	3,247,854	3,090,350	3,090,350
Amounts available in debt service funds	<u>(1,655,707)</u>	<u>(1,773,204)</u>	<u>(1,787,942)</u>	<u>(1,766,812)</u>
Total outstanding debt	<u>\$ 65,291,822</u>	<u>\$ 63,051,204</u>	<u>\$ 60,385,363</u>	<u>\$ 57,500,522</u>
Total taxable value	\$ 413,729,543	\$ 402,643,702	\$ 370,475,911	\$ 329,993,209
Ratio of total debt to taxable value	15.78%	15.66%	16.30%	17.42%
Total population	20,849	20,437	19,201	19,435
Total debt per capita	\$ 3,132	\$ 3,085	\$ 3,145	\$ 2,959
% of personal income	7.66%	7.54%	7.69%	7.81%
Personal income	\$ 852,828	\$ 835,975	\$ 785,417	\$ 735,790

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 9  
Unaudited

2012	2013	2014	2015	2016	2017
\$ 23,080,000	\$ 21,640,000	\$ 19,925,000	\$ 18,125,000	\$ 14,160,000	\$ 11,810,000
29,921,984	29,389,535	28,612,720	26,963,383	25,491,984	22,406,984
-	-	402,709	371,731	399,767	1,377,192
3,090,350	3,090,350	3,090,350	3,224,136	453,072	431,748
<u>(1,744,330)</u>	<u>(1,788,071)</u>	<u>(156,184)</u>	<u>(150,642)</u>	<u>(179,174)</u>	<u>(190,375)</u>
<u>\$ 54,348,004</u>	<u>\$ 52,331,814</u>	<u>\$ 51,874,595</u>	<u>\$ 48,533,608</u>	<u>\$ 40,325,649</u>	<u>\$ 35,835,549</u>
\$ 309,194,034	\$ 290,729,097	\$ 289,614,595	\$ 292,133,419	\$ 292,133,419	\$ 292,133,419
17.58%	18.00%	17.91%	16.61%	13.80%	12.27%
19,375	19,621	20,142	20,081	20,081	20,081
\$ 2,805	\$ 2,667	\$ 2,575	\$ 2,417	\$ 2,008	\$ 1,785
7.41%	6.53%	5.96%	5.50%	4.57%	4.06%
\$ 733,518	\$ 800,948	\$ 870,175	\$ 882,098	\$ 882,098	\$ 882,098

**Ratios of Net General Bonded Debt Outstanding**  
 Last Ten Years

Year	General Obligation Bonds	Less: Amounts Restricted to Repaying Principle	Net General Bonded Debt	% of Actual Taxable Value of Property	Per Capita
2017	\$ 11,810,000	\$ (190,375)	\$ 12,000,375	4.11%	\$ 598
2016	14,160,000	(179,174)	14,339,174	4.85%	705
2015	18,125,000	(150,642)	18,275,642	6.20%	903
2014	19,925,000	(156,184)	20,081,184	6.88%	989
2013	21,640,000	1,788,071	19,851,929	6.83%	1,012
2012	23,080,000	1,744,330	21,335,670	6.94%	1,108
2011	24,560,000	1,766,812	22,793,188	6.91%	1,173
2010	25,805,000	1,787,942	24,017,058	6.48%	1,251
2009	26,800,000	1,773,204	25,026,796	6.22%	1,225
2008	27,750,000	1,655,707	26,094,293	6.31%	1,252

Source: City of Ypsilanti Finance Department



CITY OF YPSILANTI, MICHIGAN

Table 12  
Unaudited

**Legal Debt Margin**  
Last Ten Years

Legal debt margin calculation for 2017	
Assessed value (state equalized value)	<u>\$ 358,874,417</u>
Debt limit (10% of assessed value)	<u>\$ 35,887,442</u>
Net debt subject to limitation:	
General obligation bonds	11,810,000
Less amounts available for repayment of general obligation bonds	<u>(190,375)</u>
	<u>11,619,625</u>
Legal debt margin	<u>\$ 24,267,817</u>

	Debt Limit	Net Debt Applicable to Limit	Legal Debt Margin	Ratio
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%
2008	52,645,291	26,094,293	26,550,998	49.57%

Source: City of Ypsilanti Finance Department

**Revenue Bond Coverage**  
Last Ten Years

Fiscal Year Ended August 31,	(1) Gross Revenue	(2) Operating Expenses	Net Revenue Available for Debt Service	(3) Total Debt Service Requirement	Coverage
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%
2008	35,548,571	27,925,431	7,623,140	5,368,807	142.0%
2007	37,781,498	26,934,363	10,847,135	5,596,598	193.8%

Source: Ypsilanti Community Utilities Authority comprehensive annual financial report.

(Note: YCUA is on a August 31 fiscal year end; as such, the 2017 report is not yet available.)

- (1) Includes operating revenue, investment earnings, connect fees and debt service contributions.
- (2) Excludes depreciation expense.
- (3) Includes bonds and capital leases applicable to YCUA as a whole.

**Demographic and Economic Statistics**  
Last Ten Years

Year	(1) Population	(2) Total Personal Income (in thousands)	(2) Per Capita Income	(3) School Enrollment	(4) Unemployment Rate
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%
2009	20,437	773,724	37,859	3,881	11.3%
2008	20,849	852,828	40,905	3,864	8.0%

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

- (1) Estimate per SEMCOG and/or U.S. Census Bureau;  
<https://www.census.gov/quickfacts/fact/dashboard/ypsilantcitymichigan,MI,US/PST045216>
- (2) Estimate from U.S. Department of Commerce, Bureau of Economic Analysis. (2013/14 data is not available, so used year 2013 data for washtenaw county). (Total personal income=population \* per capita  
<http://www.bea.gov/iTable/iTable.cfm?reqid=70&step=1&isuri=1&acrnd=5#reqid=70&step=27&isuri=1&7022=20&7023=7&7024=non-industry&7025=5&7026=11460&7001=720&7028=-1&7083=levels&7029=20&7090=70&7031=5>
- (3) Data from Ypsilanti Community Schools Administration Office
- (4) Labor market information at Michigan.gov (for Ann Arbor, MI Metropolitan Statistical Area)  
[http://ycharts.com/indicators/ypsilanti\\_mi\\_unemployment\\_rate](http://ycharts.com/indicators/ypsilanti_mi_unemployment_rate)

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

Employer	2017			2009 (1)		
	Employees	Rank	% of Workforce	Employees	Rank	% of Workforce
Eastern Michigan University	1,634	1	5.72%	1,958	1	17.08%
Washtenaw County	1,252	2	4.38%	200	3	1.74%
Ford Motor Company	700	3	2.45%	-	-	-
Ypsilanti Public Schools	600	4	2.10%	700	2	6.11%
Villa at Parkridge (Bortz Health Care)	156	5	0.55%	141	4	1.23%
Forest Health Services	141	6	0.49%	140	5	1.22%
Marsh Plating & Finishing Services	139	7	0.49%	85	7	0.74%
City of Ypsilanti	98	8	0.34%	107	6	0.93%
Gene Butman Ford	86	9	0.30%	60	8	0.52%
Fischer Honda	35	10	0.12%	26	10	0.23%
Walgreens	-	-	-	56	9	0.49%
	<u>4,841</u>		<u>16.93%</u>	<u>3,473</u>		<u>30.29%</u>

(1) Principal Employers' Data from 2008 is not available.

Source: Economic Development Department, City of Ypsilanti  
 Washtenaw County Economic Development & Growth  
 Manta.com and prior Official Statement for the City of Ypsilanti  
<http://www.annarborusa.org/site-selectors/top-employers>  
[https:// ycharts.com](https://ycharts.com) for labor force statistics

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**Employees by Department**  
 Last Ten Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Mayor and City Council	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
<b>Administrative services</b>										
City Manager (172)	2.10	1.85	1.85	1.85	1.85	1.85	2.60	2.60	2.60	1.60
Human Resources (226)	1.90	1.55	1.55	1.55	1.55	1.55	1.30	1.30	1.00	1.00
Ordinance Enforcement (341)	1.00	1.00	0.50	0.50	0.50	0.50	1.70	1.70	3.00	4.00
Building Inspection (371)	5.00	5.25	3.75	3.58	3.35	3.25	2.20	2.20	-	-
Planning & Development (801)	3.40	1.65	1.65	1.65	2.38	2.38	2.13	2.13	3.35	4.40
Recreation (707)	-	-	-	-	-	-	-	-	-	-
	13.40	11.30	9.30	9.13	9.63	9.53	9.93	9.93	9.95	11.00
<b>Citizen services</b>										
Voters Registration, school and county election (191)	-	-	-	-	-	-	-	-	-	-
City Clerk (215)	2.00	2.00	2.00	2.00	1.95	1.95	1.95	1.95	1.45	1.50
City Treasurer (253)	1.50	1.50	1.50	1.34	1.34	1.34	1.34	1.68	1.50	1.00
	3.50	3.50	3.50	3.34	3.29	3.29	3.29	3.63	2.95	2.50
<b>Administrative Hearing Bureau</b>	-	-	-	-	0.10	0.10	0.15	0.15	0.15	0.50
<b>Fire services</b>										
Administration (337)	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Suppression (339)	23.00	21.00	21.00	19.00	18.50	16.00	16.00	16.00	19.00	18.00
	25.00	22.00	22.00	20.00	19.50	17.00	17.00	17.00	20.00	19.00
<b>Fiscal services</b>										
Finance - Accounting (201)	3.20	3.20	3.20	3.03	3.03	3.03	3.03	3.03	3.00	4.00
Finance - Assessor (209)	1.00	1.00	1.00	1.00	0.93	0.33	0.33	0.33	-	-
	4.20	4.20	4.20	4.03	3.96	3.36	3.36	3.36	3.00	4.00
<b>Police services</b>										
Administration (305)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Field Services (307)	41.00	37.00	38.40	28.00	28.00	24.00	28.26	29.26	29.95	27.00
COPS Grant	-	-	-	3.00	3.00	2.00	2.00	2.00	-	-
Parking Enforcement (311)	4.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
LAWNET Grant (312 & 316)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
School Liaison Contract (317)	1.00	1.00	1.00	1.00	-	-	-	-	1.00	1.00
	49.00	43.00	44.40	37.00	36.00	31.00	35.26	36.26	36.95	33.00
<b>Public services</b>										
Parks, streets, building, parking lots, and garbage collection	21.75	19.00	17.00	17.00	17.00	17.00	17.00	16.00	16.00	17.00
Administration (441)	4.00	3.75	3.75	3.88	3.88	3.81	3.88	3.88	4.00	4.00
	25.75	22.75	20.75	20.88	20.88	20.81	20.88	19.88	20.00	21.00
<b>Total full-time employees</b>	<b>120.85</b>	<b>106.75</b>	<b>104.15</b>	<b>94.38</b>	<b>93.36</b>	<b>85.09</b>	<b>89.87</b>	<b>90.21</b>	<b>93.00</b>	<b>91.00</b>
<b>Total council and full-time employees</b>	<b>127.85</b>	<b>113.75</b>	<b>111.15</b>	<b>101.38</b>	<b>100.36</b>	<b>92.09</b>	<b>96.87</b>	<b>97.21</b>	<b>100.00</b>	<b>98.00</b>

Source: City of Ypsilanti Finance Department

# CITY OF YPSILANTI, MICHIGAN

## Operating Indicators by Function/Program

Last Ten Years

Function/Program	2008	2009	2010	2011
<b>Public Safety</b>				
Police services				
Number of uniform crime reportin	3,087	3,349	3,295	1,936
Number of traffic violations	3,538	7,502	8,458	3,253
Number of arrests	1,484	2,015	1,864	1,738
Number of parking violations	6,818	9,654	9,611	9,880
Fire services				
Number of calls answered	402	553	566	564
Number of inspections conducted	996	1,396	1,464	1,588
<b>Public Services</b>				
Miles of local streets maintained	21.22	21.22	21.22	21.22
Miles of major streets maintained	32.52	32.44	32.44	32.44
<b>Public Utilities</b>				
Miles of water mains	53.74	53.74	53.74	53.74
Number of fire hydrants	663	663	663	663

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

Table 17  
Unaudited

2012	2013	2014	2015	2016	2017
2,983	2,913	3,179	2,301	2,101	1,355
3,609	3,024	3,528	1,779	1,257	1,881
1,715	1,698	1,939	712	1,253	1,048
10,593	9,223	2,975	6,382	9,730	13,422
600	639	690	545	712	2,300
400	384	264	325	513	171
21.22	21.22	21.22	21.22	21.22	21.11
32.44	32.44	32.44	32.44	32.44	32.44
58.66	58.66	58.66	53.74	59.00	59.00
663	663	663	663	663	663

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Police Services</b>										
Police department building	1	1	1	1	1	1	1	1	1	1
Temporary detention cells	2	2	2	2	2	2	2	2	2	2
Vehicle patrol units:										
Police service automobiles	10	10	10	10	9	9	9	9	9	9
Unmarked police vehicles	7	6	6	7	7	7	7	7	8	8
Parking enforcement	2	2	2	2	2	2	2	2	2	2
Mobile command vehicle	1	1	1	1	1	1	1	1	1	1
Volunteer service vehicle	1	1	1	1	1	1	1	1	1	1
<b>Fire Services</b>										
Emergency services building	1	1	1	1	1	1	1	1	1	1
Vehicle units:										
Pumper truck	2	2	2	2	2	2	2	2	2	2
Pumper ladder truck	1	1	1	1	1	1	1	1	1	1
Rescue truck	1	1	1	-	-	-	-	-	-	-
Jaws of life	1	1	1	1	1	1	1	1	1	1
Chief's city car	1	1	1	1	1	1	1	1	1	1
Trailer	-	-	-	-	-	-	-	-	-	-
Pickup truck	1	1	1	1	2	2	2	2	2	2
Utility van	1	1	1	1	-	-	-	-	-	-
<b>Administrative Services</b>										
Crown Victoria - CH	2	1	1	1	1	1	-	-	-	-
Impala	-	-	-	1	1	1	1	1	1	1
Taurus - CM	-	1	1	1	1	1	1	1	1	1
Building enforcement vehicles	4	2	2	3	3	3	2	2	2	3
<b>Public Services</b>										
Passenger										
Crown Victoria	2	3	4	3	2	2	1	-	-	-
Escape	-	-	-	1	1	1	1	1	1	1
Van	2	1	1	1	-	-	-	-	-	-
Van with Aerial Lift	-	1	1	1	1	1	-	-	-	-
Trucks:										
Pick-up	9	8	9	8	7	7	5	4	4	4
with Aerial Lift	-	3	3	3	1	1	2	1	1	1
Dump	9	9	9	10	11	11	9	7	7	6
with Grapple	-	1	1	1	1	1	1	1	1	1
Stake	7	6	6	6	6	6	3	3	3	4
with Aerial Lift	2	-	-	-	1	1	1	1	1	1
Recycle Truck	1	1	1	1	-	-	-	-	-	-
Packer Truck	3	4	4	4	4	4	3	3	3	4
Brush Chipper	2	3	3	1	1	1	1	1	1	1

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Tractors:</b>										
with Front Loader	2	2	2	2	1	1	-	-	-	1
with Front Loader/Rear Plow	1	1	1	1	1	1	1	1	1	1
with Bucket & Backhoe	1	1	1	1	1	1	-	-	-	-
with Drawn Rake	1	1	1	1	1	1	-	-	-	-
with Salt Spreader & Snow Plow	-	1	1	1	1	1	1	1	1	1
Garden	9	9	9	9	7	7	6	3	3	4
Wide Area Mower	-	1	1	1	1	1	1	1	1	1
Loader with Bucket	2	3	3	3	3	3	2	2	2	1
Rear Loader	-	-	-	1	1	1	1	1	1	1
Wheel Loader	-	-	-	-	-	-	-	-	1	1
<b>Equipment:</b>										
Gas Tester	1	1	1	1	1	1	1	1	1	1
Arrowboard	2	2	2	2	2	2	2	2	2	2
Pump	-	-	-	2	2	2	2	2	2	1
Snow Blower	4	4	4	4	4	4	3	3	3	1
Traffic Counter	8	8	8	8	8	8	8	8	8	5
Star Drill	1	1	1	1	1	1	1	1	1	1
Flail Mower	1	1	1	-	-	-	-	-	-	-
Trailer	3	4	4	4	4	4	4	4	4	4
Sign Driver	-	-	-	1	1	1	1	1	1	1
Auger	2	2	2	2	2	2	2	2	2	2
Street Sweeper	2	2	2	2	3	3	2	2	2	2
Compactor	1	1	1	1	1	1	1	1	1	1
Cement Mixer	2	2	2	1	1	1	1	1	1	1
Bituminous	1	1	1	1	1	1	1	1	1	-
Hyd. Sewer Cleaner	2	2	2	1	1	1	1	1	1	1
Compressor	1	1	1	-	-	-	2	2	1	1
Concrete Pavement Saw	2	2	2	2	2	2	2	2	2	2
Parking Lot Plow	-	-	-	-	-	-	2	2	2	2
Rear Plow	1	1	1	1	1	1	1	1	1	1
Dual Line Stripper	1	1	1	1	1	1	1	1	1	1
Leaf Blower	3	3	3	3	3	3	3	3	3	3
Weed Eater	9	9	9	11	11	11	11	11	12	12
Weed Eater (brush cutter)	-	-	-	-	1	1	1	1	1	1
Rotary Lawn Mower	1	2	2	2	2	2	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	1	1	2	2	2	2	1	-	1	1
Maint. Drawn Tracor Blade	1	1	1	1	1	1	1	1	1	1
Sod Cutter	1	1	1	1	1	1	1	1	1	-
Rotary Tiller	1	1	1	1	1	1	1	1	1	1
Chain Saw	11	11	11	12	12	12	12	12	12	12
Power Pruner	3	4	4	3	3	3	3	3	3	3
Stump Cutter	1	1	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	1	1	-	-	-
Pressure Washer	1	1	1	1	1	1	1	1	1	1
Portable Space Heater	1	1	1	1	1	1	1	1	1	1
Power MIG 255	1	1	1	1	1	1	1	1	1	1
Precision TIG 275	1	1	1	1	1	1	1	1	1	1
Row Boat	1	1	1	1	1	1	1	-	-	-
Sandblaster	-	-	1	1	1	1	1	1	1	1

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Weed Eater/Hedge Trimmer	-	-	-	-	1	1	1	1	1	1
Edger/Trimmer/Weed Eater	-	-	-	-	-	-	1	1	1	1
Pallet Forks	-	-	-	-	-	-	-	-	1	1
Jackhammer	-	-	-	-	-	-	-	-	1	1
Backhoe	-	-	-	-	-	-	-	-	1	1
Stump Grinder	-	-	-	-	-	-	-	-	1	1
Snow Pusher Blade	-	-	-	-	-	-	-	-	1	1
Auger bit 24"	-	-	-	-	-	-	-	-	1	1
Auger bit 36"	-	-	-	-	-	-	-	-	1	1
Grader	-	-	-	-	-	-	-	-	1	1
Soil Conditioner	-	-	-	-	-	-	-	-	1	1
Brush Hog	-	-	-	-	-	-	-	-	1	1
<b>Parks &amp; Recreation</b>										
<b>Parks:</b>										
Active	8	8	8	8	8	8	8	8	8	8
Inactive	2	1	1	1	1	1	1	1	1	1
Tot Lots	2	3	3	3	3	3	3	3	3	3
<b>Park acreage:</b>										
Active parks	81	81	81	81	81	81	81	81	81	81
Inactive	4	2	2	2	2	2	2	2	2	2
Tot Lots	2	2	2	2	2	2	2	2	1	2
Picnic areas	9	9	9	9	9	9	9	9	9	9
<b>Buildings:</b>										
Parkridge Community Center	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Concessions	1	1	1	1	1	1	-	-	-	-
Pavilions	8	8	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	2	-	-	1	1	1	1	1	1	1
<b>Park and Play Area Acreage</b>										
Candy Cane Park	7	7	7	7	7	7	7	7	7	7
Carrie Mattingly Tot Lot	1	1	1	1	1	1	1	1	1	1
Charles Street Tot Lot	-	-	-	-	-	-	-	-	-	0.2
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
Gilbert Park	2	-	-	-	-	-	-	-	-	-
Parkridge Park Community Center	8	8	8	8	8	8	8	8	8	8
Peninsular Park	5	5	5	5	5	5	5	5	5	5
Prospect Park	10	10	10	10	10	10	10	10	10	10
Recreation Park/Pool/Senior Center	17	17	17	17	17	17	17	17	17	17
Riverside Park	14	14	14	14	14	14	14	14	14	14
Waterworks Park	13	13	13	13	13	13	13	13	13	13

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Picnic</b>										
Candy Cane Park	1	1	1	1	1	1	1	1	1	1
Edith Hefley Park	1	1	1	1	-	-	-	-	-	-
Frog Island Park	1	1	1	1	-	-	-	-	-	-
Parkridge Park Community Center	1	1	1	1	1	1	1	1	1	1
Peninsular Park	1	1	1	1	1	1	1	1	1	1
Prospect Park	2	2	2	2	2	2	2	2	2	2
Recreation Park/Pool/Senior Center	1	1	1	1	1	1	1	1	1	1
Riverside Park	1	1	1	1	1	1	1	1	1	1
Waterworks Park	1	1	1	1	1	1	1	1	1	1
<b>Pavilions</b>										
Recreation Park/Pool/Senior Center	1	1	1	1	1	1	1	1	1	1
Candy Cane Park	1	1	1	1	1	1	1	1	1	1
Prospect Park	2	2	2	2	2	2	2	2	2	2
Waterworks Park	1	1	1	1	1	1	1	1	1	1
Parkridge Park Community Center	1	1	1	1	1	1	1	1	1	1
Riverside Park	1	1	2	2	2	2	2	2	1	1
Peninsular Park	1	1	1	1	1	1	1	1	1	1
<b>City Attractions</b>										
Eastern Michigan Campus	1	1	1	1	1	1	1	1	1	1
Farmer's Market / Freighthouse	1	1	1	1	1	1	1	1	1	1
Michigan Firehouse Museum	1	1	1	1	1	1	1	1	1	1
Riverside Arts Center	1	1	1	1	1	1	1	1	1	1
RM Classic Cars US Headquarter	1	1	1	1	-	-	-	-	-	-
Ypsilanti Automotive Heritage Collection	1	1	1	1	1	1	1	1	1	1
Ypsilanti District Library	1	1	1	1	1	1	1	1	1	1
Ypsilanti Historical Museum	1	1	1	1	1	1	1	1	1	1
Ypsilanti Water Tower	1	1	1	1	1	1	1	1	1	1
Ypsilanti West Commerce Park	1	1	1	1	1	1	1	1	1	1

Source: City of Ypsilanti Finance Department

**Schedule of Insurance**  
 As of June 30, 2017

Type of Coverage Name of	Policy Period	Premium	Description
Michigan Municipal League Liability and Property Pool	8/01/16- 8/01/17	\$ 164,547	Covers general liability, police professional liability and public officials errors & omissions. Limit of liability \$2,000,000.
Michigan Municipal League Liability and Property Pool	8/01/16- 8/01/17	62,440	Covers equipment and automobiles.
Michigan Municipal League Liability and Property Pool	8/01/16- 8/01/17	44,414	Covers buildings and attached property.
Meadowbrook Insurance Group	8/30/16 - 8/30/17	2,564	Covers commercial storage tank
Blue Cross - Blue Shield, EHIM, Sun Life, Fort Dearborn, MECA, UNUM, HC Waivers	7/01/16 - 6/30/17	2,505,049	Employee and retiree benefits: health, dental, prescription, life, vision and long-term disability.
Comp One Administrator and Accident Fund, MML Liability & Property Pool	7/01/16 - 6/30/17	140,788	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 Starting November 1, 2016, Workers compensation and employers liability coverage with statutory limits.

Source: City of Ypsilanti Finance Department