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Comprehensive Annual Financial Report Year Ended June 30, 2020

City of Ypsilanti, Michigan

www.cityofypsilanti.com

Comprehensive Annual Financial Report

For the Year Ended June 30, 2020

Prepared by:

Rheagan Basabica, Director of Finance

City of Ypsilanti, Michigan
Comprehensive Annual Financial Report
For the Year Ended June 30, 2020

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INTRODUCTORY SECTION



CITY OF
YPSILANTI

Home of Eastern Michigan University

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City of Ypsilanti
Office of the City Manager

December 23, 2020

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, 2020. The CAFR is submitted herewith, in accordance with provisions of the Ypsilanti City Charter and the laws of the State of Michigan. Responsibility for both accuracy of data and completeness and fairness of the report, including all disclosures, rests with the City. The administration believes, and has made its best effort to ensure, that the data is presented in a manner that clearly and accurately sets forth the financial position and results of operations of the City.

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 continues to assist us in improving the financial reporting of the City of Ypsilanti.

The annual audit of the City's financial statements was conducted by Rehmann LLC, Certified Public Accounts, an independent firm of licensed certified public accountants. Rehmann has issued an unmodified ("clean") opinion on the City of Ypsilanti's financial statements for the year ended June 30, 2020. The independent auditor's report is located at the front of the financial section of this report. The Management Discussion and Analysis (MD&A) immediately follows the Independent Auditors' Report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Ypsilanti, incorporated in 1858, is located in the southeast region of Michigan's lower peninsula in Washtenaw County, approximately 30 miles west of Detroit. 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 incorporates 4.52 square miles of which 0.19 square miles is water. Ypsilanti has the second largest continuous historic district in the State of Michigan. 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 of Ypsilanti operates under the provisions of Pubic Act 279 of 1909, as amended (Home Rule City Act), utilizing the Council/Manager form of government since 1947. Under this form, the City Council, an elected governing body, is responsible for legislative functions such as establishing policy, passing ordinances and developing goals. 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 Manager is the chief executive officer and oversees the administrative operations, administers the budget, implements polices and advises.

City Council adopts a bi-annual budget which serves as a foundation for the City'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 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 is \$479,669,100. The City's total equalized value of taxable property for tax year 2019 is approximately \$345,406,001, an increase of about \$27,901,184, or 8.79% of the prior year.

The City has four tax increment finance (TIF) districts. Over the past five years, the TIF capture has increased an average of 24%. Additionally, the Ann Arbor-Ypsilanti SmartZone invests approximately \$340,000 in downtown Ypsilanti for promotion and development of high-tech businesses and corporations which has helped to fund the City's youth empowerment initiative. The DDA TIF revenues remain stable and grow modestly as the value of property continues to recover from its steep decline back in 2010-2013.

The City's cultural offerings are rich and varied. A wide variety of museums, galleries, arts events, and musical attractions grace the City. However, due to the COVID-19 pandemic, the City's annual Color Run, ElvisFest, and the Michigan Brewers Guild Summer Festival were canceled. The Annual Summer Movie Series was converted to drive-in and included one event downtown and one event in the West Cross business district. The second movie was the premier of the Independent Film Festival of Ypsilanti. Both events were well attended and held in compliance with the Center for Disease Control (CDC), Michigan Department of Health and Human Services (MDDHS), and Washtenaw County Health Department protocols and COVID-19 protocols for masks and social distancing.

Successful street closures allowed restaurants to survive, with up to 80% of their traffic over this period coming for outdoor dining options. This was all done safely, with no reported COVID-19 exposures at local restaurants over this time period.

To further support local businesses, the Ypsilanti Downtown Development Association (YDDA) administered over \$50,000 in DDA TIF grants to support outdoor café build-outs and event programming. The DDA converted its building façade and rehabilitation funds to Outdoor Café Buildout grants to help support the new expenses incurred by businesses to construct outdoor cafes often for the first time. This was done at the height of the pandemic in coordination with the street closures and timed perfectly for when those places were allowed to reopen.

A \$300,000 Façade Restoration Initiative Grant Projects awarded in 2018 took less than two years to complete. This was a transformational grant project funded by the Michigan Economic Development Corporation (MEDC). Several key buildings in our downtown district have been restored to their historic nature and will be ready for new businesses to open in 2021.

The City of Ypsilanti accomplished "engaged" status in the Michigan Main Street (MMS) program. The program requires staff training and development plans that are consistent with the MMS strategies. By leveraging the existing work of the DDA, City staff accomplished an "engaged" status with the MMS program that allows for more resources and technical assistance to be used locally for economic development in the future.

Economic Development staff continues to aggressively strategize for business growth and expansion in the City by offering numerous resources to businesses with financing opportunities. The City has earned and maintained its Redevelopment Ready Community status that creates technical funding opportunities, promotes City priority redevelopment sites, and promotes to developers the City's transparent development processes.

Community Highlights

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 YDDA and Ypsilanti Community Utilities Authority (YCUA).

Park lands are important asset in the City of Ypsilanti. The City is responsible for the maintenance of a border-to-border trail that runs along the Huron River, and several parks and tot lots throughout various neighborhoods. While the City does not directly provide recreation programming, it has partnered with many dedicated community groups to ensure recreation is provided. These partnerships include friends' groups that fundraise for and operate the Senior Center, Rutherford Community Pool, and Parkridge Community Center. In addition, there are neighborhoods, churches, schools, and other organizations that assist in providing numerous community events, gardens, park improvement projects and recreation programming.

The Freighthouse

The City resumed operational management of the Freighthouse during a precarious time just weeks before the COVID-19 pandemic hit Michigan. When the decision was made, there was a consensus on City Council that the Freighthouse Friends group was not meeting expectations of making the space a public asset; holding too few community events, charging prices that were too high for residents, and a lack of sufficient accountability or reporting of the finances. City Council recognized at the time how the Freighthouse could be used to generate revenue that might help re-establish the Parks and Recreation Department and provide that service again to the public. The City was unable to rent the facility much in 2020, due to the pandemic. We believe the Freighthouse will be financially stable and well positioned, with more than 50 events scheduled in 2021. The rental fees on those events is set to provide more than \$100,000 in new revenue. With these additional resources, the City could greatly expand the number of community events once it is safe to do so. The City has already lowered the fees for residents to make the space more of a community asset that can be shared locally.

Senior Center

Staff continues to coordinate and provide meals and services to seniors during the pandemic. This Center has proven to be an asset in bridging the digital divide experienced by seniors during COVID-19 and the emergence of the use of technology and the need to operate remotely. Seniors are being trained to use Microsoft Office, and the internet to conduct business.

Parkridge Community Center

Staff secured \$200,000 of CDBG funding to construct a new playground at Parkridge Park. Construction is ongoing. Capital improvements this year include new floors, indoor painting, ceiling tiles, and furniture. The improvements are estimated to value over \$30,000 and were paid for with \$10,000 received from Washtenaw County Parks and Recreation, \$10,000 from Washtenaw County United Way, and up to \$25,000 in donations from United Community Church.

Rutherford Pool

Work began on the bathhouse renovation in 2019 and then delayed due to COVID-19. The tentative date for completion was pushed from May 2020 to the end of 2020. The work includes adding family bathrooms and renovating the dated structure. The total grant funding for this project is \$300,000 from the Michigan Department of Natural Resources (MDNR).

Recycling and Infrastructure Grant

The City applied for a Recycling and Infrastructure Grant from the State of Michigan in April of 2020 and was verbally notified that the City had been awarded the grant. The purpose of the grant application was to fund public recycling containers in our downtown areas and City parks. The City was awarded \$73,440 in grant funds. The recycling containers are planned to be purchased and installed in spring 2021.

SAW Grant

In 2018, the City received a Stormwater, Asset Management, and Wastewater (SAW) grant to evaluate the City's storm sewer system and develop an asset management plan. The value of the grant is \$376,288, and the scope included items such as televising a portion of the City's storm sewer and purchasing asset management software. In June 2020, the City purchased asset management software, Elements XS, to implement data tracking and digitally manage the City's infrastructure assets. City staff is currently working with Elements XS to upload our information and create workflow processes for the program. We are anticipating that the software will be ready to use in spring 2021, and we will begin training and implementation at that time.

Other Grants

The City was awarded a \$45,000 grant from the Department of Justice to fund COVID-19 related expenses and to provide personal protection equipment (PPE) for residents through COVID-19 Care Packages. The care packages included masks, toilet paper, paper towel, hand sanitizer and disinfectant. Over 1,000 care packages have been distributed through this program.

The City received CARES Act funding that replaced part of our state shared revenue. Funds in the amount of \$262,804 were used for police wages (hazard pay) during COVID-19.

City is requesting reimbursement of \$15,000 to pay for COVID related expenditures in FY19-20.

Major Initiatives

The City of Ypsilanti has initiated a project to replace aging, outdated playground equipment at Candy Cane Park with new equipment that is accessible to those with disabilities. The replacement playground structure contains an accessible play event, a wheelchair access ramp and a sensory event, and is designed for children ages 2-12. The playground has been relocated to a more central area in the park to allow it to be more visible from Roosevelt Avenue in order to increase the safety of those using the playground.

The City's engineering consultant has identified several concerns regarding the condition of the Forest Street Bridge over the Huron River. In response, the City applied for and was awarded a grant under the Michigan Department of Transportation (MDOT) Local Bridge Program in order to perform the necessary repairs to the bridge and prevent its potential closure. The grant award is for \$1.245 million; and the City will be required to contribute a 10% match to the project and pay engineering costs. We expect this project will be initiated and completed in the 2021 or 2022 construction season.

The City purchased the property at 206-210 N. Washington for affordable housing. The non-profit, Avalon House, was selected to be the developer of the project.

Staff worked with Rich and Associates to put together a Comprehensive Parking Strategy. Once City Council and the DDA adopt the strategy, the City will begin to implement the key points laid out in the plan.

The City was awarded a \$350,000 grant to help towards the removal of the Peninsular Dam. Work on soliciting public feedback is ongoing.

Staff began the process of migration from Washtenaw County Information Technology to Dewpoint for network services. Dewpoint was selected through a competitive bidding process and phase one of implementation has begun.

The vacant home at 448 S. Huron St was demolished with CDBG funds.

Staff and consultants, Beckett and Raeder have been working with the Planning Commission and Sustainability Commission to update/create the City's master plan. Multiple community meetings have been held and the final product should be presented to City Council by the beginning of 2021.

The City began issuing permits for recreational marijuana, with expanded uses such as micro-businesses, designated consumption facilities, marijuana testing, and transportation. The City updated its marijuana ordinance to include both medical and recreational marijuana processes.

City Council adopted a Public Participation Plan outlining a process to improve public engagement for development projects.

Infrastructure Improvements

The City completed the following improvements during the fiscal year:

- Converted/installed approximately 40 sidewalk ramps to American Disabilities Act compliant accessible ramps;
- Completed road rehabilitation project on Huron between Cross and Forest; Congress between east of Elm to east of Mansfield; and Harriet between Hamilton and Huron;
- Began work on road rehabilitation project on E. Cross between River and Prospect (set for completion in FY 20-21);
- Began work on road reconstruction project on W. Cross between Courtland and Wallace (completion in FY 20-21);
- Installed 30 new bike loops. In the age of COVID-19, outdoor spaces and recreation are more important than ever before. The new bike racks are also intended to help offset the parking demand;
- \$150,000 in improvements were made to the W. Cross Alley to aid businesses on West Cross in building outdoor cafes as a way to respond to COVID-19 and to keep small businesses running. The project also leveraged private investment to the adjacent parking areas that otherwise would not have occurred;
- Installed a seating wall in Frog Island Park as a part of the trail project;
- Updated and replaced Depot Town signage with modern signage to accentuate and improve the primary features of the downtown area so that signage is more visible and appealing;
- Replaced aging critical vehicles in the City's fleet including an aerial lift vehicle, vector truck, environmental vehicle, and winter road maintenance vehicle;
- Completed repairs to the Parkridge Community Center HVAC system.

Major Future Projects

Interstate 94 (I-94) Bridge

The City of Ypsilanti is working with MDOT, the Charter Township of Ypsilanti, Washtenaw County Road Commission, Washtenaw County Parks and Recreation, and others to complete a long-needed pedestrian and bike connection on the Huron Street Bridge over I-94 that has divided the Ypsilanti community since its construction. This work is currently in the design phase, managed by MDOT, with an anticipated construction year of 2022. This project will be coordinated with the planned addition of bike lanes and improved pedestrian crossings on Hamilton and Huron Streets through downtown Ypsilanti. These lanes are being added to provide much-needed bicycle infrastructure and connectivity as well as to improve traffic safety overall.

Water Street Development

Staff is working with the developer, Kaufman Jacobs, to potentially redevelop Water Street. Public engagement sessions are in progress. The tentative project is a mix of commercial, apartments, townhomes, and single-family residences. Conceptual drawings are in progress.

Financial Outlook

The City Council and City Manager believe long-term financial planning is essential to ensuring sustainability for our community. The City remains in good financial condition, as is demonstrated by the financial statements and schedules included in this report. The City has a staff of 98 full-time equivalent (FTE), seven part-time positions and one new position. In fiscal 2020, there were 170 retirees. Personnel costs comprise a significant total of general fund expenses, including pension and other postemployment benefits (OPEBs).

The City's liability insurance increased from \$197,000 to \$231,000 during the fiscal year. The increase was due to litigation losses. The collective bargaining agreements for all four of the City's unions expired on June 30, 2017, and the City has settled all of the contracts with significant changes in health care programs and wage structures to return compensation packages to fair but financially sustainable levels. The City continues to face mounting pension and OPEB costs. While the Michigan Employees Retirement System General Employee Pension System is stable at 122% funding, the Act 345 Fire and Police Pension System is only 51.3% funded. In 2020, the City's required contribution to the Fire and Police Pension Plan will increase by approximately \$160,000. The City is working to restructure retirement benefits while maintaining core municipal services for the community at sustainable levels.

The City's overall healthcare premium increased from \$991,046 to \$1,291,003, due to an increase in healthcare premiums and change in the employer funding. The City used the hard cap limits set by the State in fiscal year 2019 and chose to opt-out in fiscal year 2020 and have employees contribute 15% of illustrative healthcare premium rates, with the remainder funded by the City. Retiree healthcare costs decreased from \$1,390,128 in fiscal year 2019 to \$1,346,417 in fiscal year 2020.

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 Clark Schaefer and Hackett. I wish to express my appreciation and acknowledge those who assisted and contributed to the preparation of this report: Fiscal Services Director Rheagan Basabica and the Fiscal Services Department staff, Economic Development Director Joe Meyers, Department of Public Services Director Ron Akers, Community Development and DDA Executive Director Christopher Jacobs, and City Project Manager Bonnie Wessler.

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

Respectfully submitted,

{signature omitted for security}
Frances McMullan,
City Manager

{signature omitted for security}
Rheagan Basabica,
Finance Director



Government Finance Officers Association

Certificate of
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**City of Ypsilanti
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For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

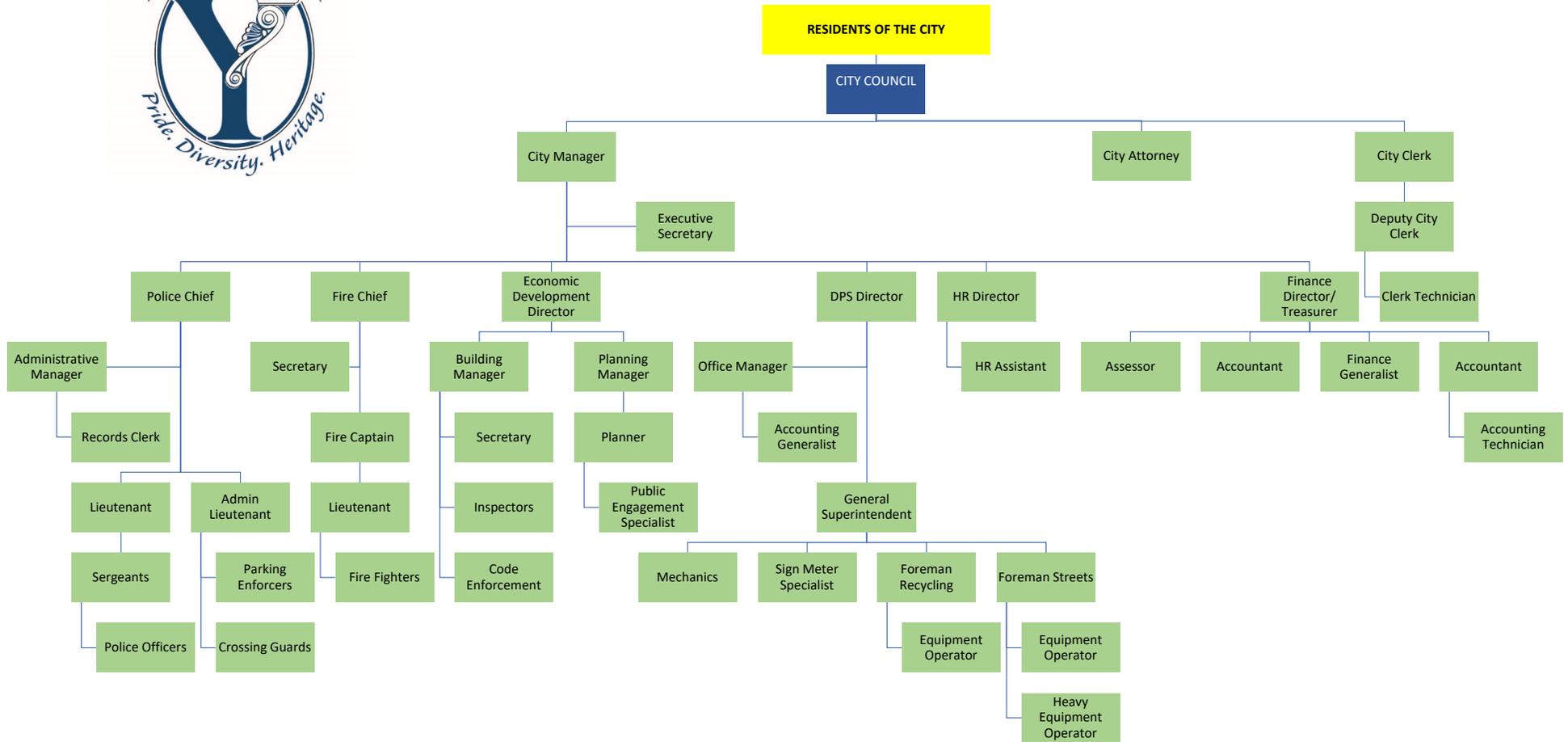
June 30, 2019

Christopher P. Morrill

Executive Director/CEO



CITY OF YPSILANTI ORGANIZATIONAL CHART 2019-2020



CITY OF YPSILANTI, MICHIGAN

ELECTED OFFICIALS CITY COUNCIL

Mayor

Lois Allen-Richardson

Mayor Pro-Tem

Nicole Brown

Council Members

Anthony Morgan

Annie Somerville

Jennifer Symanns

Steve Wilcoxon

ADMINISTRATION

APPOINTED OFFICIALS & SENIOR MANAGEMENT

City Manager

Frances McMullan

City Clerk

Andrew Hellenga

Police Chief

Anthony DeGiusti

Economic Development Director

Joseph Meyers

Fire Chief

Stephen Hobbs

Finance Director/Treasurer

Rheagan Basabica

Public Services Director

Ronald Akers

FINANCIAL SECTION



CITY OF
YPSILANTI

Home of Eastern Michigan University

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INDEPENDENT AUDITORS' REPORT

December 23, 2020

Honorable Mayor and City Commission
City of Ypsilanti, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *City of Ypsilanti, Michigan* (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Independent Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Rehmann is an independent member of Nexia International.



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

Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ypsilanti, Michigan, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and each major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Restatement of Beginning Net Position / Fund Balance

As discussed in Note 1 to the financial statements, beginning net position of governmental activities and beginning fund balance of the major streets special revenue fund were restated to correct an error in the recognition of a reimbursable state grant in the prior year. Our opinion is not modified with respect to this matter.

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Rehmann Lobson LLC

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CITY OF YPSILANTI, MICHIGAN
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020

The management of the City of Ypsilanti, Michigan (the City) presents readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, as listed in the table of contents.

Financial Highlights

Major financial highlights for fiscal year 2020 are listed below:

- The liabilities and deferred inflows of resources of the City exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$10,455,772 (net position). Of this amount, a negative \$35,745,875 in unrestricted net position was reported for the governmental activities, primarily due to recognition of net pension and other postemployment benefit (OPEB) liabilities of \$40,251,527.
- The City's total net position increased by \$2,248,275.
- The City's total revenues were \$21,179,491, an increase from the prior fiscal year of \$1,436,026, or 7%, while total expenses were \$18,931,216, a decrease of \$3,473,154, or 16%.
- The City's general fund, the primary operating fund, increased by \$991,465. The City's unassigned fund balance of the general fund totaled \$4,205,335 at the end of the fiscal year, or 30% of general fund expenditures.
- The City's long-term bonds decreased by \$2,685,000, with \$24,561,984 outstanding as of the end of the fiscal year.

Overview of the Financial Statements

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

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

CITY OF YPSILANTI, MICHIGAN
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, refuse collection, highways, streets, and bridges, culture and recreation, community development and public transportation. The City does not have business-type activities.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also legally separate component units: Downtown Development Authority, Depot Town Downtown Development Authority and Economic Development Corporation, for which the City is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

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

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

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

CITY OF YPSILANTI, MICHIGAN
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020

The City maintains 23 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general, major streets, capital improvement reserve and 2013 revenue refunding bonds funds, all four of which are considered to be major funds. Data from the other 19 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

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

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

Fiduciary Funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The City's only fiduciary funds are a pension trust fund, that accounts for the Police and Fire Employees' Retirement System, and agency funds, that are custodial in nature.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

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

CITY OF YPSILANTI, MICHIGAN
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position at Fiscal Year-End

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$10,455,772 at the close of the most recent fiscal year.

**Table 1
Net Position**

	Governmental Activities	
	2020	<i>Restated</i> 2019
Assets		
Current and other assets	\$ 37,232,881	\$ 37,097,123
Net pension asset	3,696,350	3,087,128
Capital assets	15,618,395	15,879,066
<i>Total assets</i>	<u>56,547,626</u>	<u>56,063,317</u>
Deferred Outflows of Resources	<u>3,112,352</u>	<u>6,340,541</u>
Liabilities		
Long-term liabilities:		
Net pension liability	26,088,231	24,718,354
Net OPEB liability	14,163,296	18,552,325
Other long-term amounts	26,780,880	29,411,340
Other liabilities	2,139,675	1,330,538
<i>Total liabilities</i>	<u>69,172,082</u>	<u>74,012,557</u>
Deferred Inflows of Resources	<u>943,668</u>	<u>1,095,348</u>
Net Position		
Net investment in capital assets	15,254,452	15,491,863
Restricted	10,035,651	9,863,406
Unrestricted (deficit)	(35,745,875)	(38,059,316)
<i>Total net position (deficit)</i>	<u>\$ (10,455,772)</u>	<u>\$ (12,704,047)</u>

CITY OF YPSILANTI, MICHIGAN
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020

A significant portion of the City's net position (\$15,254,452) reflects its investment in capital assets (i.e., land, infrastructure, buildings and improvements, vehicles and equipment and construction in progress), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to pay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (\$10,035,651) represents resources that are subject to external restrictions on how they may be used. The external restriction will not affect the availability of resources for future use. Primarily as a result of recognizing net pension and OPEB liabilities under GASB Statement Nos. 68 and 75, the City's unrestricted net position ended the fiscal year with a deficit balance of \$35,745,875.

The City ended the fiscal year with \$56,547,626 in total assets, an increase of \$484,309 from the prior fiscal year. A significant source for the increase was the increase in MERS' net pension asset, which benefited from better performance of plan investments during the measurement period. The increase was partially offset by decreases in current and other assets and capital assets, as depreciation expense exceeded current year additions.

The City ended the fiscal year with \$69,172,082 in total liabilities, a decrease of \$4,840,475. Other long-term liabilities decreased by \$2,630,460 due to the City meeting its required debt service obligations on its outstanding bonds. Another source of the decrease was a significant decline in the net OPEB liability, due to changes in actuarial assumptions, including adjustments to the health care cost trend rates and mortality improvement scales, and a change in benefits that reflects the repeal of the excise tax under the Affordable Healthcare Act.

CITY OF YPSILANTI, MICHIGAN
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020

Change in Net Position during Fiscal Year 2020

The following table presents a condensed summary of the City's activities during fiscal years 2020 and 2019 and the resulting change in net position:

Table 2
Changes in Net Position

	Governmental Activities	
	2020	<i>Restated</i> 2019
Revenues		
Program revenues:		
Charges for services	\$ 2,898,118	\$ 2,713,669
Operating grants and contributions	3,443,453	2,610,388
Capital grants and contributions	519,682	196,966
<i>Total program revenues</i>	<u>6,861,253</u>	<u>5,521,023</u>
General revenues:		
Property and other taxes	11,348,696	11,018,343
Grants and entitlements not restricted to specific programs	2,621,332	2,693,174
Investment earnings	340,433	337,327
Other	7,777	173,598
<i>Total general revenues</i>	<u>14,318,238</u>	<u>14,222,442</u>
<i>Total revenues</i>	<u>21,179,491</u>	<u>19,743,465</u>
Expenses		
General government	2,770,051	4,177,241
Public safety	9,780,593	11,316,595
Public works	721,700	735,989
Refuse collections	896,728	960,542
Highways, streets and bridges	2,945,099	3,091,800
Culture and recreation	272,872	529,135
Community development	594,942	453,202
Public transportation	294,984	289,809
Interest and fiscal charges	654,247	850,057
<i>Total expenses</i>	<u>18,931,216</u>	<u>22,404,370</u>
<i>Change in net position</i>	2,248,275	(2,660,905)
<i>Net position (deficit), beginning of year</i>	<u>(12,704,047)</u>	<u>(10,043,142)</u>
<i>Net position (deficit), end of year</i>	<u>\$ (10,455,772)</u>	<u>\$ (12,704,047)</u>

CITY OF YPSILANTI, MICHIGAN
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020

As mentioned earlier, the City's net position experienced an increase of \$2,248,275 during the fiscal year, which is better from the decrease experienced in the prior fiscal year of \$2,660,905. Total revenue increased by \$1,436,026, while total expenses decreased by \$3,473,154. The increase in revenue was primarily due to additional state capital grant funding for improvements of the Rutherford Pool and higher property tax collections due to higher assessed valuations and property tax rates.

The primary reason for the decrease in total expenses is due to the recognition of *negative* OPEB expenses of \$3,339,766. This expense reflects the reduction in the net OPEB liability that was impacted by changes in actuarial assumptions.

FINANCIAL ANALYSIS OF THE CITY'S INDIVIDUAL FUNDS

Governmental Funds

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

The City's governmental funds reported a combined fund balance of \$17,132,708, which is \$1,768,348 above last year's total of \$15,364,360. The schedule below indicates the fund balances and total change in fund balances as of June 30, 2020 and 2019 for each individual major fund and nonmajor governmental funds in total.

	Fund Balance June 30, 2020	<i>Restated</i> Fund Balance June 30, 2019	Change in Fund Balance	Percent Change
Major funds:				
General fund	\$ 8,350,425	\$ 7,358,960	\$ 991,465	13%
Major streets fund	2,508,114	2,313,569	194,545	8%
Capital improvement reserve fund	750,359	477,481	272,878	57%
2013 revenue refunding bonds fund	1,625,141	1,625,141	-	0%
Nonmajor governmental funds	<u>3,898,669</u>	<u>3,589,209</u>	<u>309,460</u>	<u>9%</u>
Total	<u>\$ 17,132,708</u>	<u>\$ 15,364,360</u>	<u>\$ 1,768,348</u>	<u>12%</u>

General Fund

The general fund, the City's primary operating fund, ended the fiscal year with an unassigned fund balance of \$4,205,335, or 30% of general fund expenditures. Total fund balance increased \$991,465 during the fiscal year. This increase was higher than the prior fiscal year's increase of \$851,392. Reasons for the increase include an increase in tax revenue, due to a higher tax rate and increased assessed property values, and a decrease in transfers out. Fewer transfers were needed for the capital improvement reserve fund due to additional state capital funding.

CITY OF YPSILANTI, MICHIGAN
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020

Major Streets Fund

The major streets special revenue fund had revenues of \$1,776,947 and expenditures of \$1,484,710 in fiscal year 2020. The fund experienced an increase in fund balance due to completion of several road improvement and resurfacing projects in the prior fiscal year.

Capital Improvement Reserve Fund

The capital improvement reserve capital projects fund had an ending fund balance of \$750,359, all of which was committed for capital equipment. The fund received a State capital grant and transfers from other funds for the Frog Island lighting project, fire department lockers, Rutherford Pool bathhouse project and various park improvements.

2013 Revenue Refunding Bonds Fund

The 2013 revenue refunding bonds capital projects fund had an ending balance of \$1,625,141. Fiscal year 2020 activity consisted of debt service expenditures, funded by contributions from YCUA.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

The City's primary operating fund is the general fund. The original revenue budget was increased during the fiscal year by 9% due to better tax collections and charges for services due to a doubling in PA 289 fire protection state funding. Actual revenues were within 1% of the final revenue budget.

The original expenditure budget was increased during the fiscal year by 14% to account for actual spending patterns realized during the fiscal year, particularly in police, fire and planning and development due to requests for additional personnel. Actual expenditures came in \$993,538 under the final budget. This was attributable to lower than expected expenditures for areas such as, police, fire and accounting due to not filling all vacancies planned in those departments.

CITY OF YPSILANTI, MICHIGAN
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2020, the City had \$15,618,395 (net of accumulated depreciation) invested in land, buildings and improvements, vehicles and equipment, infrastructure and construction in progress. Capital assets decreased by \$260,671 due to depreciation expense of \$1,948,091 and \$1,687,420 in capital acquisitions. See Note 7 to the basic financial statements for detail.

The following table shows fiscal year 2020 compared to 2019:

Capital Assets at Year-End
(Net of Depreciation)

	Governmental Activities	
	2020	2019
Land	\$ 1,358,840	\$ 1,358,840
Infrastructure	7,566,767	8,781,904
Buildings and improvements	3,929,575	3,655,856
Vehicles and equipment	1,939,870	1,736,930
Construction in progress	823,343	345,536
Totals	\$ 15,618,395	\$ 15,879,066

Debt Administration

At June 30, 2020, the City had \$25,842,682 in outstanding debt, a decrease of \$2,861,739 from June 30, 2019. Of this amount, \$8,195,000 is comprised of debt backed by the full faith and credit of the City, along with small amounts for capital leases and an installment agreement. The remainder of the City's bonded debt represents bonds secured solely by specified revenue sources. Activity during the fiscal year was limited to debt repayment. The City had the following long-term debt outstanding at June 30, 2020 and 2019:

Long-term Debt at Year-End

	Governmental Activities	
	2020	2019
General obligation bonds	\$ 8,195,000	\$ 8,785,000
Revenue bonds	16,366,984	18,461,984
Capital lease	23,943	47,203
Biltmore agreement	340,000	340,000
Unamortized premiums	916,755	1,070,234
Totals	\$ 25,842,682	\$ 28,704,421

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

CITY OF YPSILANTI, MICHIGAN
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Revenues for all funds for next year are budgeted to be \$1,095,595 higher than the current fiscal year amended budget. General fund budgeted revenues are expected to decrease by \$523,000, due to a \$415,000 decrease in PA 289 fire protection grant funding, \$200,000 parking revenue being accounted for in another fund, and a \$200,000 decrease in state revenue sharing.

For the tax year 2020, the City expects property values to increase by 8.79%, and the City's operating mill has been reduced from 18.3137 to 18.0298 due to millage rollback. The City continues to look for many options to reduce costs or increase revenues. This is the third year the City will collect Water Street millage which pays partially for the Water Street debt. The City received \$397,879 for the mental health and public safety millage funding from Washtenaw County for the second time and will receive this funding for seven more years. The City will continue to receive an approximate \$122,000 per year through 2024 from Washtenaw County for the 0.50 mill road levy for repair of roads, streets, bridges and culverts.

The City continues to comply with the City, Village and Township Revenue Sharing (CVTRS) program to receive full CVTRS payments. The City implemented again the Public Act 52 (SB #7) by opting out and requiring employees to pay 15% based on the illustrative premium rates and the remainder paid by the City.

The City's spending budget for all funds for next fiscal year is \$199,087 more than the current year amended budget. Among the major projects that were completed were rehabilitation projects on Huron Street and East Cross along with road reconstruction on West Cross.

Due to the COVID-19 pandemic, the City had to make adjustments in City expenditures in response to possible decreases in revenue sources. The City experienced a decline in parking collections, due to business closures and the City deciding not to enforce parking regulations during the pandemic. The City took over the Freighthouse buildings and was expecting to collect rental fees that did not materialize due to events being cancelled or delayed because of the pandemic.

REQUESTS FOR ADDITIONAL INFORMATION

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

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CITY OF YPSILANTI, MICHIGAN
Statement of Net Position
June 30, 2020

	Primary Government	
	Governmental Activities	Component Units
Assets		
Cash and cash equivalents	\$ 16,577,260	\$ 669,086
Investments	3,571,330	-
Receivables	14,315,942	7,183
Land held for resale	1,161,560	-
Special assessments receivable	146,257	-
Due from other governments	1,184,933	-
Prepaid items	152,654	-
Inventory	122,945	-
Net pension asset	3,696,350	-
Nondepreciable capital assets	2,182,183	53,200
Depreciable capital assets, net	<u>13,436,212</u>	<u>1,541,780</u>
Total assets	<u>56,547,626</u>	<u>2,271,249</u>
Deferred Outflows of Resources		
Deferred pension amounts	1,784,211	-
Deferred OPEB amounts	<u>1,328,141</u>	-
Total deferred outflows of resources	<u>3,112,352</u>	-
Liabilities		
Accounts payable	1,166,381	9,932
Accrued liabilities	529,576	2,421
Tax refunds payable	89,112	-
Unearned revenue	249,170	-
Accrued interest payable	105,436	-
Long-term liabilities:		
Due within one year	3,204,342	70,000
Due in more than one year:		
Net pension liability	26,088,231	-
Net OPEB liability	14,163,296	-
Other amounts due in more than one year	<u>23,576,538</u>	<u>235,000</u>
Total liabilities	<u>69,172,082</u>	<u>317,353</u>
Deferred Inflow of Resources		
Deferred gain on refunding	124,908	-
Deferred pension amounts	1,455	-
Deferred OPEB amounts	<u>817,305</u>	-
Total deferred inflows of resources	<u>943,668</u>	-
Net Position		
Net investment in capital assets	15,254,452	1,289,980
Restricted for:		
Highways and streets	4,029,870	-
Public safety	99,979	-
Public transportation	5,226	-
Refuse collections	44,885	-
Debt service	729,244	-
Pension benefits	3,975,997	-
Land held for resale	1,150,450	-
Unrestricted (deficit)	<u>(35,745,875)</u>	<u>663,916</u>
Total net position (deficit)	<u>\$ (10,455,772)</u>	<u>\$ 1,953,896</u>

See accompanying notes to the basic financial statements.

CITY OF YPSILANTI, MICHIGAN
Statement of Activities
Fiscal Year Ended June 30, 2020

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>	<u>Component Units</u>
					<u>Governmental Activities</u>	<u>Component Units</u>
<u>Functions/Programs</u>						
Primary government:						
Governmental activities:						
General government	\$ 2,770,051	\$ 1,440,197	\$ 44,000	\$ -	\$ (1,285,854)	
Public safety	9,780,593	1,296,332	652,479	13,535	(7,818,247)	
Public works	721,700	68,822	-	50,000	(602,878)	
Refuse collection	896,728	24,055	-	-	(872,673)	
Highways, streets and bridges	2,945,099	66,712	2,164,353	10,687	(703,347)	
Culture and recreation	272,872	2,000	33,569	445,460	208,157	
Community development	594,942	-	-	-	(594,942)	
Public transportation	294,984	-	-	-	(294,984)	
Interest and fiscal charges	654,247	-	549,052	-	(105,195)	
Total primary government	<u>\$ 18,931,216</u>	<u>\$ 2,898,118</u>	<u>\$ 3,443,453</u>	<u>\$ 519,682</u>	(12,069,963)	
Component Units:						
Community/economic development	<u>\$ 646,376</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		\$ (646,376)
General revenues:						
Property taxes					11,348,696	511,102
Grants and contributions not restricted to specific programs					2,621,332	-
Investment earnings					340,433	10,998
Other					7,777	174,339
Total general revenues					<u>14,318,238</u>	<u>696,439</u>
Change in net position						
					2,248,275	50,063
					<u>(12,704,047)</u>	<u>1,903,833</u>
					<u>\$ (10,455,772)</u>	<u>\$ 1,953,896</u>

See accompanying notes to the basic financial statements.

CITY OF YPSILANTI, MICHIGAN
Balance Sheet
Governmental Funds
June 30, 2020

	General	Major Streets	Capital Improvement Reserve	2013 Revenue Refunding Bonds	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 4,756,704	\$ 3,000,928	\$ 518,827	\$ 1,625,141	\$ 2,726,791	\$ 12,628,391
Investments	3,571,330	-	-	-	-	3,571,330
Receivables	231,226	130	65,032	-	6,452	302,840
Land held for resale	11,110	-	-	-	1,150,450	1,161,560
Special assessments receivable	146,257	-	-	-	-	146,257
Due from other governments	655,630	192,074	273,200	-	64,029	1,184,933
Prepaid items	79,789	-	-	-	-	79,789
Inventory	108,413	-	-	-	-	108,413
Total assets	\$ 9,560,459	\$ 3,193,132	\$ 857,059	\$ 1,625,141	\$ 3,947,722	\$ 19,183,513
Liabilities						
Accounts payable	\$ 515,269	\$ 474,447	\$ 81,928	\$ -	\$ 24,251	\$ 1,095,895
Accrued liabilities	514,010	3,554	-	-	7,094	524,658
Tax refunds payable	71,404	-	-	-	17,708	89,112
Unearned revenue	17,381	207,017	24,772	-	-	249,170
Total liabilities	\$ 1,118,064	\$ 685,018	\$ 106,700	\$ -	\$ 49,053	\$ 1,958,835
Deferred Inflows of Resources						
Unavailable revenue	91,970	-	-	-	-	91,970
Fund Balances						
Nonspendable	199,312	-	-	-	-	199,312
Restricted	-	2,508,114	-	-	3,656,976	6,165,090
Committed	3,945,778	-	750,359	1,625,141	241,693	6,562,971
Unassigned	4,205,335	-	-	-	-	4,205,335
Total fund balances	\$ 8,350,425	\$ 2,508,114	\$ 750,359	\$ 1,625,141	\$ 3,898,669	\$ 17,132,708
Total liabilities, deferred inflows of resources and fund balances	\$ 9,560,459	\$ 3,193,132	\$ 857,059	\$ 1,625,141	\$ 3,947,722	\$ 19,183,513

See accompanying notes to the basic financial statements.

CITY OF YPSILANTI, MICHIGAN

Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2020

Total governmental fund balances		\$ 17,132,708
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		14,070,523
Unavailable revenues are not available to pay for current-period expenditures and therefore are unavailable in the funds.		91,970
Certain assets and liabilities are not owed or due and payable in the current period and therefore are not reported in the funds:		
Leases receivable from YCUA for debt-financed property	13,999,364	
General obligation bonds	(8,195,000)	
Revenue bonds	(16,366,984)	
Unamortized bond premiums	(916,755)	
Accrued interest	(105,436)	
Biltmore agreement	(340,000)	
Compensated absences	<u>(938,198)</u>	(12,863,009)
Deferred inflows of resources from gains on refunding are amortized over the life of the bonds and are not reported in the funds.		(124,908)
Internal service funds are used by management to charge the costs of certain equipment usage, insurance and benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position		5,498,529
The net pension asset/liability and net OPEB liability are not due and payable in the current period; therefore, the asset/liability are not reported in the governmental funds:		
Net pension asset	3,696,350	
Net pension liability	(26,088,231)	
Net OPEB liability	(14,163,296)	
Deferred outflows - pension/OPEB	3,112,352	
Deferred inflows - pension/OPEB	<u>(818,760)</u>	<u>(34,261,585)</u>
Net position (deficit) of governmental activities		<u><u>\$ (10,455,772)</u></u>

CITY OF YPSILANTI, MICHIGAN
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2020

	General	Major Streets	Capital Improvement Reserve	2013 Revenue Refunding Bonds	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes and special assessments	\$ 9,514,153	\$ -	\$ -	\$ -	\$ 1,834,788	\$ 11,348,941
Licenses and permits	857,619	16,620	-	-	73,749	947,988
Intergovernmental	2,922,711	1,716,279	459,785	750,000	2,811,333	8,660,108
Charges for services	970,785	-	2,000	-	-	972,785
Fines and forfeitures	454,089	-	-	-	-	454,089
Investment earnings	185,019	43,782	4,491	-	42,618	275,910
Donations and contributions	73,314	-	-	-	-	73,314
Other	563,718	266	-	-	81,483	645,467
Total revenues	15,541,408	1,776,947	466,276	750,000	4,843,971	23,378,602
Expenditures						
Current:						
General government	2,546,801	-	8,190	-	126	2,555,117
Public safety	9,126,151	-	120,931	-	9,124	9,256,206
Public works	684,244	-	60,260	-	149,263	893,767
Refuse collection	-	-	-	-	981,524	981,524
Highways, streets and bridges	-	1,484,710	-	-	345,186	1,829,896
Culture and recreation	483,405	-	577,885	-	-	1,061,290
Public transportation	-	-	-	-	294,896	294,896
Unallocated employee benefits	1,207,893	-	-	-	-	1,207,893
Tax tribunal refunds	-	-	-	-	4,707	4,707
Debt service:						
Principal retirement	-	-	-	630,000	2,055,000	2,685,000
Interest and fiscal charges	-	-	-	120,000	719,958	839,958
Total expenditures	14,048,494	1,484,710	767,266	750,000	4,559,784	21,610,254
Excess (deficiency) of revenues over (under) expenditures	1,492,914	292,237	(300,990)	-	284,187	1,768,348
Other Financing Sources (Uses)						
Transfers in	250,000	-	573,868	-	400,273	1,224,141
Transfers out	(751,449)	(97,692)	-	-	(375,000)	(1,224,141)
Total other financing sources (uses)	(501,449)	(97,692)	573,868	-	25,273	-
Net change in fund balances	991,465	194,545	272,878	-	309,460	1,768,348
Fund balance-beginning of year, <i>restated</i>	7,358,960	2,313,569	477,481	1,625,141	3,589,209	15,364,360
Fund balance-end of year	\$ 8,350,425	\$ 2,508,114	\$ 750,359	\$ 1,625,141	\$ 3,898,669	\$ 17,132,708

See accompanying notes to the basic financial statements.

CITY OF YPSILANTI, MICHIGAN

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Fiscal Year Ended June 30, 2020

Net change in fund balances - total governmental funds \$ 1,768,348

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 as depreciation expense:

Capital asset additions	\$ 1,068,355	
Depreciation expense	<u>(1,601,738)</u>	(533,383)

Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources or not reported in governmental funds:

Unavailable revenue	(75,474)	
Change in lease receivable from YCUA	<u>(2,105,641)</u>	(2,181,115)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Compensated absences	(231,279)	
Interest on long-term debt	15,542	
Amortization of deferred gain on refunding	18,079	
Amortization of premiums	153,479	
Change in net pension asset	609,222	
Change in net pension liability	(1,369,877)	
Change in net OPEB liability	4,389,029	
Change in deferred outflows - pension/OPEB	(3,228,189)	
Change in deferred inflows - pension/OPEB	<u>133,601</u>	489,607

Principal paid on long-term debt is recorded as an expenditure on the fund financial statements and recorded as a reduction of the long-term liability in the government-wide statements. 2,685,000

Internal service funds are used by management to charge the cost of certain equipment usage, insurance and benefits to individual funds. The net revenue (expense) attributable to those funds is reported with governmental activities. 19,818

Change in net position of governmental activities \$ 2,248,275

CITY OF YPSILANTI, MICHIGAN
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		From Final Budget
Revenues				
Taxes and special assessments	\$ 8,693,092	\$ 9,141,769	\$ 9,514,153	\$ 372,384
Licenses and permits	889,260	1,034,575	857,619	(176,956)
Intergovernmental	2,751,726	3,000,318	2,922,711	(77,607)
Charges for services	522,890	976,763	970,785	(5,978)
Fines and forfeitures	447,427	390,427	454,089	63,662
Investment earnings	101,228	180,000	185,019	5,019
Donations and contributions	91,782	93,247	73,314	(19,933)
Other	556,996	543,200	517,735	(25,465)
Total revenues	14,054,401	15,360,299	15,495,425	135,126
Expenditures				
Current:				
General government:				
City council	114,806	127,606	113,738	13,868
City manager	219,910	267,924	239,938	27,986
Elections	56,932	82,732	92,193	(9,461)
Accounting	437,014	453,367	343,559	109,808
Assessing	98,092	101,666	98,942	2,724
General legal	280,000	280,000	258,759	21,241
Litigation and appeals	60,000	60,000	30,983	29,017
Personnel legal	20,000	25,000	16,139	8,861
City clerk	203,590	230,169	227,500	2,669
Human resources	154,000	194,110	192,674	1,436
Treasurer	156,154	147,027	116,404	30,623
Public building maintenance	225,796	238,796	209,379	29,417
Planning and development	498,849	684,672	606,593	78,079
Total general government	2,525,143	2,893,069	2,546,801	346,268
Public safety:				
Police	5,194,306	5,514,069	5,381,313	132,756
Fire	3,021,546	3,595,853	3,148,752	447,101
Ordinance enforcement	52,125	198,782	167,440	31,342
Building inspection	439,246	447,571	428,646	18,925
Total public safety	8,707,223	9,756,275	9,126,151	630,124
Public works:				
Public works department	250,995	268,448	258,709	9,739
Street lighting	410,000	410,000	425,535	(15,535)
Total public works	660,995	678,448	684,244	(5,796)

continued

See accompanying notes to the basic financial statements.

CITY OF YPSILANTI, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

General Fund

Fiscal Year Ended June 30, 2020

(continued)

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
Expenditures (continued)				
Current (continued):				
Culture and recreation	\$ 460,824	\$ 508,939	\$ 483,405	\$ 25,534
Unallocated employee benefits	800,750	1,149,318	1,207,893	(58,575)
Tax tribunal refunds	10,000	10,000	(45,983)	55,983
Total expenditures	13,164,935	14,996,049	14,002,511	993,538
Excess of revenues over expenditures	889,466	364,250	1,492,914	1,128,664
Other Financing Sources (Uses)				
Transfers in	150,000	250,000	250,000	-
Transfers out	(488,394)	(703,449)	(751,449)	(48,000)
Total other financing sources (uses)	(338,394)	(453,449)	(501,449)	(48,000)
Net change in fund balances	551,072	(89,199)	991,465	\$ 1,080,664
Fund balance-beginning of year	7,358,960	7,358,960	7,358,960	
Fund balance-end of year	\$ 7,910,032	\$ 7,269,761	\$ 8,350,425	

See accompanying notes to the basic financial statements.

CITY OF YPSILANTI, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Major Streets Special Revenue Fund

Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
Revenues				
Licenses and permits	\$ 6,000	\$ 6,000	\$ 16,620	\$ 10,620
Intergovernmental	1,557,765	1,237,904	1,716,279	478,375
Investment earnings	6,489	6,489	43,782	37,293
Other	500	500	266	(234)
Total revenues	<u>1,570,754</u>	<u>1,250,893</u>	<u>1,776,947</u>	<u>526,054</u>
Expenditures				
Current:				
Highways, streets and bridges:				
Street construction	372,500	818,027	857,227	(39,200)
Routine maintenance	457,669	464,819	305,694	159,125
Routine maintenance-bridges	-	-	650	(650)
Traffic services	116,412	119,012	158,781	(39,769)
Winter maintenance	87,928	87,928	63,995	23,933
Administration	55,574	56,574	30,125	26,449
Trunkline maintenance	90,369	91,269	68,238	23,031
Total expenditures	<u>1,180,452</u>	<u>1,637,629</u>	<u>1,484,710</u>	<u>152,919</u>
Excess (deficiency) of revenues over (under) expenditures	<u>390,302</u>	<u>(386,736)</u>	<u>292,237</u>	<u>678,973</u>
Other Financing Uses				
Transfers out	<u>(97,692)</u>	<u>(97,692)</u>	<u>(97,692)</u>	<u>-</u>
Net change in fund balances	292,610	(484,428)	194,545	<u>\$ 678,973</u>
Fund balance-beginning of year, <i>restated</i>	<u>2,313,569</u>	<u>2,313,569</u>	<u>2,313,569</u>	
Fund balance-end of year	<u>\$ 2,606,179</u>	<u>\$ 1,829,141</u>	<u>\$ 2,508,114</u>	

See accompanying notes to the basic financial statements.

CITY OF YPSILANTI, MICHIGAN
Statement of Net Position
Proprietary Funds
June 30, 2020

	Internal Service Funds
	<u> </u>
<i>Assets</i>	
Current assets:	
Cash and cash equivalents	\$ 3,948,869
Receivables	13,738
Inventory	14,532
Prepaid items	<u>72,865</u>
Total current assets	<u>4,050,004</u>
Noncurrent assets:	
Depreciable capital assets, net	<u>1,547,872</u>
Total assets	<u>5,597,876</u>
<i>Liabilities</i>	
Current liabilities:	
Accounts payable	70,486
Accrued liabilities	4,918
Capital leases payable - current	<u>23,943</u>
Total liabilities	<u>99,347</u>
<i>Net Position</i>	
Net investment in capital assets	1,523,929
Unrestricted	<u>3,974,600</u>
Total net position	<u>\$ 5,498,529</u>

See accompanying notes to the basic financial statements.

CITY OF YPSILANTI, MICHIGAN
Statement of Revenues, Expenses and Change in Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2020

	Internal Service Funds
<i>Operating Revenues</i>	
Charges for services	<u>\$ 2,430,036</u>
<i>Operating Expenses</i>	
Salaries, taxes and benefits	193,629
Gas, oil and fuel	105,609
Depreciation	346,353
Operation and maintenance	64,327
Contractual services and fees	196,044
Insurance and other	77,490
Benefits and claims	<u>1,489,901</u>
Total operating expenses	<u>2,473,353</u>
Operating loss	<u>(43,317)</u>
<i>Nonoperating Revenues (Expenses)</i>	
Investment income	64,523
Interest expense	<u>(1,388)</u>
Total nonoperating revenues (expenses)	<u>63,135</u>
Change in net position	19,818
Net position-beginning of year	<u>5,478,711</u>
Net position-end of year	<u><u>\$ 5,498,529</u></u>

See accompanying notes to the basic financial statements.

CITY OF YPSILANTI, MICHIGAN
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2020

	Internal Service Funds
	<u> </u>
<i>Cash Flows from Operating Activities</i>	
Cash received from interfund charges	\$ 2,427,032
Cash payments for employee services and benefits	(192,592)
Cash payments for claims	(1,477,639)
Cash payments to suppliers for goods and services	<u>(385,418)</u>
Net cash flows from operating activities	<u>371,383</u>
 <i>Cash Flows from Capital and Related Financing Activities</i>	
Acquisition of capital assets	(619,065)
Principal paid on capital lease	(23,260)
Interest paid on capital lease	<u>(1,388)</u>
Net cash flows from capital and related financing activities	<u>(643,713)</u>
 <i>Cash Flows from Investing Activities</i>	
Investment earnings	<u>64,523</u>
 Net change in cash and cash equivalents	(207,807)
 Cash and cash equivalents beginning of year	4,156,676
Cash and cash equivalents end of year	<u>\$ 3,948,869</u>
 <i>Reconciliation of operating loss to net cash flows from operating activities:</i>	
Operating loss	\$ (43,317)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation	346,353
Changes in assets and liabilities:	
Receivables	(3,004)
Inventory	(1,171)
Prepaid items	12,424
Accounts payable	59,061
Accrued liabilities	<u>1,037</u>
 Net cash flows from operating activities	<u>\$ 371,383</u>

See accompanying notes to the basic financial statements.

CITY OF YPSILANTI, MICHIGAN
Statement of Net Position
Fiduciary Funds
June 30, 2020

	Police and Fire Retirement System Trust	<u>Agency</u>
Assets		
Cash and cash equivalents	\$ 1,071,342	\$ 9,924
Investments:		
U.S. agencies	2,233,842	-
U.S. treasuries	345,863	-
Corporate bonds	4,744,020	-
Domestic equities	13,040,319	-
International equities	1,128,185	-
Mutual funds	2,584,504	-
Real estate investment trusts	203,379	-
Money market accounts	953,240	-
Total assets	<u>26,304,694</u>	<u>9,924</u>
Liabilities		
Accounts payable	1,907,903	-
Undistributed monies	-	9,924
Total liabilities	<u>1,907,903</u>	<u>\$ 9,924</u>
Net Position		
Restricted for pension benefits	<u>\$ 24,396,791</u>	

See accompanying notes to the basic financial statements.

CITY OF YPSILANTI, MICHIGAN
Statement of Changes in Net Position
Fiduciary Fund
Fiscal Year Ended June 30, 2020

	<u>Police and Fire Retirement System Trust</u>
<i>Additions</i>	
Contributions:	
Employer	\$ 2,026,131
Plan members	218,505
Total contributions	<u>2,244,636</u>
Investment earnings:	
Interest and dividends	588,159
Net appreciation in fair value of investments	372,454
Less: investment expenses	<u>(116,880)</u>
Net investment earnings	<u>843,733</u>
Total additions	<u>3,088,369</u>
<i>Deductions</i>	
Benefits	3,785,299
Refunds	178,280
Administrative expenses	<u>63,036</u>
Total deductions	<u>4,026,615</u>
Change in net position	(938,246)
Net position beginning of year	<u>25,335,037</u>
Net position end of year	<u>\$ 24,396,791</u>

See accompanying notes to the basic financial statements.

CITY OF YPSILANTI, MICHIGAN
Combining Statement of Net Position
Component Units
June 30, 2020

	Downtown Development Authority	Depot Town Downtown Development Authority	Economic Development Corporation	Total
Assets				
Cash and cash equivalents	\$ 197,604	\$ 437,970	\$ 33,512	\$ 669,086
Receivables	6,668	515	-	7,183
Nondepreciable capital assets	-	-	53,200	53,200
Depreciable capital assets, net	<u>1,313,430</u>	<u>228,350</u>	<u>-</u>	<u>1,541,780</u>
Total assets	<u>1,517,702</u>	<u>666,835</u>	<u>86,712</u>	<u>2,271,249</u>
Liabilities				
Accounts payable	5,397	4,535	-	9,932
Accrued liabilities	2,421	-	-	2,421
Long-term liabilities:				
Due within one year	70,000	-	-	70,000
Due in more than one year	<u>235,000</u>	<u>-</u>	<u>-</u>	<u>235,000</u>
Total liabilities	<u>312,818</u>	<u>4,535</u>	<u>-</u>	<u>317,353</u>
Net Position				
Net investment in capital assets	1,008,430	228,350	53,200	1,289,980
Unrestricted	<u>196,454</u>	<u>433,950</u>	<u>33,512</u>	<u>663,916</u>
Total net position	<u>\$ 1,204,884</u>	<u>\$ 662,300</u>	<u>\$ 86,712</u>	<u>\$ 1,953,896</u>

See accompanying notes to the basic financial statements.

CITY OF YPSILANTI, MICHIGAN
 Combining Statement of Activities
 Component Units
 Fiscal Year Ended June 30, 2020

	Downtown Development Authority	Depot Town Downtown Development Authority	Economic Development Corporation	Total
Expenses				
Community development	\$ 511,063	\$ 135,249	\$ 64	\$ 646,376
General Revenue				
Property taxes	290,914	220,188	-	511,102
Other revenue	173,859	480	-	174,339
Investment earnings	4,356	6,112	530	10,998
Total general revenue	<u>469,129</u>	<u>226,780</u>	<u>530</u>	<u>696,439</u>
Net change in net position	(41,934)	91,531	466	50,063
Net position-beginning of year	<u>1,246,818</u>	<u>570,769</u>	<u>86,246</u>	<u>1,903,833</u>
Net position-end of year	<u>\$ 1,204,884</u>	<u>\$ 662,300</u>	<u>\$ 86,712</u>	<u>\$ 1,953,896</u>

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CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Ypsilanti, Michigan (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies used by the City.

A. Reporting Entity

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

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

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

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

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

Brownfield Redevelopment Authority (BRA) - The BRA is responsible for administering brownfield redevelopment projects. The City Council appoints and may remove board members and approves the budget. The BRA had no financial activity during the fiscal year.

B. Government-wide and Fund Financial Statements

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

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

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

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when an expense is incurred for purposes for which both restricted and unrestricted resources are available, the City's policy is to first apply restricted resources.

The City reports the following major governmental funds:

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

The *major streets special revenue fund* accounts for state and local funding for construction and maintenance of City streets identified as major streets under the State of Michigan Act 51 of the Public Acts of 1951.

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

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

Additionally, the City reports the following fund types:

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

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

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

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

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

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

D. **Deposits and Investments**

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

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

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

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

E. **Receivables and Payables**

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

F. **Inventory and Prepaid Items**

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items, when incurred, in both the government-wide and fund financial statements.

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Capital Assets

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

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

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

H. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category and are reported in the government-wide statement of net position; pension and other postemployment benefits (OPEB). These are addressed in Notes 16 and 17, respectively.

In addition to liabilities, the statement of financial position and governmental funds balance sheet will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents revenue that applies to one or more future periods and so will not be recognized as an inflow of resources until that time. For the City, deferred inflows of resources include unavailable revenue, deferred charge on refunding, pension and OPEB. Unavailable revenue is reported only on the governmental fund financial statements and represents receivables that will not be collected within the available period (sixty days after fiscal year-end). Deferred charge on refunding results from the difference in the carrying value of refunded debt and its acquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred inflows of resources related to pension and OPEB are addressed in Notes 16 and 17, respectively.

I. Compensated Absences

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

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Fund Balances

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

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

L. Use of Estimates

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

M. Restatement

The City restated it beginning fund balance for the Major Streets special revenue fund and governmental activities beginning net position by \$376,288 to correct the recognition of a reimbursable state grant.

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

2. BUDGETARY INFORMATION

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

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

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

3. CONSTRUCTION CODE FEES

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

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

Current year building permit revenue	\$ 404,185
Less related expenditures:	
Direct costs	427,961
Estimated indirect costs	<u>44,790</u>
Current year shortfall	(68,566)
Cumulative shortfall, beginning of year	<u>(558,746)</u>
Cumulative shortfall, end of year	<u><u>\$ (627,312)</u></u>

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

4. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of June 30, 2020 with the financial statements:

	Primary Government	Component Units	Total
Statement of Net Position			
Cash and cash equivalents	\$ 16,577,260	\$ 669,086	\$17,246,346
Investments	3,571,330	-	3,571,330
Statement of Fiduciary Net Position			
Agency Fund	9,924	-	9,924
Pension Trust Fund:			
Cash and cash equivalents	1,071,342	-	1,071,342
Investments	25,233,352	-	25,233,352
	\$ 46,463,208	\$ 669,086	\$47,132,294

Deposits and Investments

Bank deposits (checking, savings and certificates of deposit)	\$ 5,110,070
Investments in securities, mutual funds and similar vehicles:	
City investment pool (including \$3,039,445 certificates of deposit with original maturities greater than three months)	16,786,397
Pension trust fund	25,233,352
Cash on hand	2,475
	\$47,132,294

Custodial Credit Risk—Deposits. For deposits, custodial credit risk is the risk that, in the event of a bank failure, the City’s deposits may not be returned to the City. The City’s carrying balance as of June 30, 2020 was \$5,110,070. As of June 30, 2020, \$4,980,415 of the City’s total bank balance of \$5,480,415 was exposed to custodial credit risk as it was uninsured and uncollateralized.

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

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

4. DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk—City Investment Pool. The following is a summary of the City’s investments as of June 30, 2020:

Local government investment pool	\$ 7,625,875
Commerical paper	5,595,929
Money market accounts	525,148
Certificates of deposit (maturities > 3 months)	3,039,445
Total investments	<u>\$16,786,397</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, 2020, 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, 2020, the City’s investments in commercial paper was rated P1 by Moody’s and the local government investment pool was rated AAAm by Standard & Poor’s. Ratings are not required for money market accounts. The City’s investment policy does not have specific limits in excess of State law on investment credit risk.

Concentration of Credit Risk. The City’s investment policy does not address concentration of credit risk. At June 30, 2020, the investment portfolio of the City was concentrated in the following:

Investment	Balance	Concentration
Toyota Co. commercial paper	\$ 2,489,545	14.8%
MUFG Bank Ltd. commercial paper	1,082,724	6.5%
Disney commercial paper	1,014,157	6.0%
Flagstar Bank negotiable certificate of deposit	1,010,932	6.0%

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, 2020, maturities of the City’s investments in commercial paper were less than one year. The City’s investment policy does not address interest rate risk.

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

5. INVESTMENTS—PENSION TRUST FUNDS

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

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

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

The System's investments are held in a bank-administered trust fund. The following is a summary of the System's investments as of June 30, 2020:

Investments at fair value	
U.S. agencies	\$ 2,233,842
U.S. treasuries	345,863
Corporate bonds	4,744,020
Domestic equities	13,040,319
International equities	1,128,185
Mutual funds	2,584,504
Real estate investment trusts	203,379
Money market accounts	953,240
	\$25,233,352

Credit Risk. As of June 30, 2020, the System's investments in U.S. agency and treasury securities were rated Aaa by Moody's and its domestic corporate bonds were rated as follows:

A2	\$ 1,480,666
A3	1,140,964
Aa1/Aa2	477,420
Baa1	1,033,050
Baa2	611,920
	\$ 4,744,020

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

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

5. INVESTMENTS—PENSION TRUST FUNDS (continued)

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

Concentration of Credit Risk. At June 30, 2020, the System did not have any holdings in any one issue greater than 5% of the total investment portfolio.

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

Interest Rate Risk. As of June 30, 2020, maturities of the System’s debt securities were as follows:

	Fair Value	Maturities in Years			
		Less Than 1	1 to 5	6 to 10	More than 10
U.S. agencies	\$ 2,233,842	\$ -	\$ 1,370	\$ 8,595	\$ 2,223,877
U.S. treasuries	345,863	-	-	246,797	99,066
Corporate bonds	4,744,020	356,732	1,406,849	1,731,859	1,248,580
	<u>\$ 7,323,725</u>	<u>\$ 356,732</u>	<u>\$ 1,408,219</u>	<u>\$ 1,987,251</u>	<u>\$ 3,571,523</u>

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 92% of total mutual fund holdings of \$2,584,504), predominately in European, Japanese and other Asian companies. The residual mutual fund underlying investments are in cash and cash equivalents, domestic equities and alternatives.

The System restricts the amount of investment in foreign currency-denominated investments to 20% of total pension system investments.

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

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

5. INVESTMENTS—PENSION TRUST FUNDS (continued)

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

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

The System had the following recurring fair value measurements as of June 30, 2020:

	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
U.S. agencies	\$ 2,233,842	\$ -	\$2,233,842	\$ -
U.S. treasuries	345,863	345,863	-	-
Corporate bonds	4,744,020	-	4,744,020	-
Domestic equities	13,040,319	13,040,319	-	-
International equities	1,128,185	1,128,185	-	-
Mutual funds	2,584,504	2,584,504	-	-
Real estate investment trusts	203,379	-	203,379	-
Portfolio cash	953,240	953,240	-	-
	<u>\$25,233,352</u>	<u>\$ 18,052,111</u>	<u>\$7,181,241</u>	<u>\$ -</u>

6. RECEIVABLES

Receivables in the governmental activities are 88.9% leases (approximately 13.8% of which will be collected within one year), 7.6% due from other governments and 3.5% other receivables.

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

7. CAPITAL ASSETS

Capital asset activity for the City as of June 30, 2020 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital assets not being depreciated:</i>				
Land	\$ 1,358,840	\$ -	\$ -	\$ 1,358,840
Construction in progress	345,536	477,807	-	823,343
Total capital assets not being depreciated	<u>1,704,376</u>	<u>477,807</u>	<u>-</u>	<u>2,182,183</u>
<i>Capital assets being depreciated:</i>				
Infrastructure	45,120,679	96,036	-	45,216,715
Buildings and improvements	8,067,050	466,191	-	8,533,241
Vehicles and equipment	8,514,715	647,386	-	9,162,101
Total capital assets being depreciated	<u>61,702,444</u>	<u>1,209,613</u>	<u>-</u>	<u>62,912,057</u>
<i>Less accumulated depreciation</i>				
Infrastructure	(36,338,775)	(1,311,173)	-	(37,649,948)
Buildings and improvements	(4,411,194)	(192,472)	-	(4,603,666)
Vehicles and equipment	(6,777,785)	(444,446)	-	(7,222,231)
Total accumulated depreciation	<u>(47,527,754)</u>	<u>(1,948,091)</u>	<u>-</u>	<u>(49,475,845)</u>
Net capital assets being depreciated	<u>14,174,690</u>	<u>(738,478)</u>	<u>-</u>	<u>13,436,212</u>
Governmental activities capital assets, net	<u>\$15,879,066</u>	<u>\$ (260,671)</u>	<u>\$ -</u>	<u>\$15,618,395</u>

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

General government	\$ 44,033
Public safety	94,466
Public works	3,944
Highways, streets and bridges	1,346,927
Culture and recreation	112,368
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>346,353</u>
Total depreciation expense	<u>\$ 1,948,091</u>

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

7. CAPITAL ASSETS (continued)

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

	Beginning Balance	Additions	Deletions	Ending Balance
Component Units				
<i>Capital assets not being depreciated:</i>				
Land	\$ 53,200	\$ -	\$ -	\$ 53,200
 <i>Capital assets being depreciated:</i>				
Buildings and improvements	3,693,036	-	-	3,693,036
<i>Less accumulated depreciation</i>				
Buildings and improvements	(2,073,693)	(77,563)	-	(2,151,256)
Net capital assets being depreciated	1,619,343	(77,563)	-	1,541,780
Governmental activities capital assets, net	\$ 1,672,543	\$ (77,563)	\$ -	\$ 1,594,980

8. PAYABLES

Payables in the governmental activities are 28.0% accrued liabilities, 4.7% property tax refunds, 5.6% interest and 61.7% vendors.

9. INTERFUND TRANSACTIONS

Transfer transactions for the fiscal year ended June 30, 2020 consisted of the following:

Transfers In	Transfers Out			Total
	General	Major Streets	Nonmajor Governmental Funds	
General Fund	\$ -	\$ -	\$ 250,000	\$ 250,000
Capital Improvement Reserve	448,868	-	125,000	573,868
Nonmajor Governmental Funds	302,581	97,692	-	400,273
	\$ 751,449	\$ 97,692	\$ 375,000	\$ 1,224,141

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

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

10. CONTINGENT LIABILITIES

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

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

The City is currently involved in various tax appeals pending before the Michigan Tax Tribunal. The appeals cover various commercial and industrial properties for the years 2016, 2017, 2018 and 2019. Due to the large number of appeals currently before the Tribunal, the time frame for resolution of these matters is unknown at this time. An estimate of the City's maximum exposure is approximately \$2,034,000 in taxable value. The City is vigorously defending all such litigation.

11. LONG-TERM OBLIGATIONS

A. Primary Government

Changes in the City's long-term obligation during the fiscal year ended June 30, 2020 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
<i>General obligation bonds:</i>					
2016 Refunding	\$ 8,785,000	\$ -	\$ (590,000)	\$ 8,195,000	\$ 615,000
<i>Revenue bonds:</i>					
2002-B Water/Sewer (DWRf)	90,000	-	(30,000)	60,000	30,000
2003-C Water/Sewer (DWRf)	235,000	-	(45,000)	190,000	45,000
2003-D Water/Sewer (DWRf)	1,580,000	-	(300,000)	1,280,000	310,000
2004-B Water/Sewer (DWRf)	2,190,000	-	(345,000)	1,845,000	355,000
2007 Water/Sewer (DWRf)	148,702	-	(15,000)	133,702	15,000
2008 Water/Sewer (DWRf)	239,253	-	(20,000)	219,253	20,000
2009 Water/Sewer (DWRf)	94,029	-	(5,000)	89,029	10,000
2012 Water/Sewer (DWRf)	2,305,000	-	(130,000)	2,175,000	130,000
2013 Water/Sewer refunding	3,290,000	-	(630,000)	2,660,000	660,000
2015 Water/Sewer (DWRf)	370,000	-	(20,000)	350,000	20,000
2016 Water/Sewer refunding	7,920,000	-	(555,000)	7,365,000	570,000
Total revenue bonds	<u>18,461,984</u>	<u>-</u>	<u>(2,095,000)</u>	<u>16,366,984</u>	<u>2,165,000</u>
2015 Capital lease	47,203	-	(23,260)	23,943	23,943
<i>Direct borrowing:</i>					
Biltmore agreement	340,000	-	-	340,000	-
Unamortized premiums	1,070,234	-	(153,479)	916,755	-
Compensated absences	706,919	476,327	(245,048)	938,198	400,399
Total governmental activities long-term obligations	<u>\$ 29,411,340</u>	<u>\$ 476,327</u>	<u>\$ (3,106,787)</u>	<u>\$ 26,780,880</u>	<u>\$ 3,204,342</u>

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

11. LONG-TERM OBLIGATIONS (continued)

A. Primary Government (continued)

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

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

2016 refunding bonds 2.02% - 4.00%

Revenue Bonds. The City also issues bonds where the income derived from the acquired or constructed assets is pledged to pay debt service. In this instance, the income is derived from the Ypsilanti Community Utilities Authority (see Note 18), which manages and operates the related water and wastewater systems. The original amount of revenue bonds issued in the current and prior years was \$33,024,702.

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

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

Principal and interest requirements to retire the City's long-term obligations outstanding at June 30, 2020 are as follows:

Year Ending June 30,	General Obligation Bonds		Revenue Bonds		Capital Lease	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 615,000	\$ 266,598	\$ 2,165,000	\$ 497,753	\$ 23,943	\$ 704
2022	635,000	252,638	2,220,000	437,174	-	-
2023	655,000	237,080	2,285,000	368,674	-	-
2024	680,000	219,396	2,360,000	274,034	-	-
2025	710,000	200,084	1,910,000	219,587	-	-
2026-2030	3,985,000	643,890	4,596,984	341,020	-	-
2031-2035	915,000	36,600	830,000	37,525	-	-
	<u>\$ 8,195,000</u>	<u>\$ 1,856,286</u>	<u>\$ 16,366,984</u>	<u>\$ 2,175,767</u>	<u>\$ 23,943</u>	<u>\$ 704</u>

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

11. LONG-TERM OBLIGATIONS (continued)

B. Component Unit

Component unit general obligation bonds outstanding at June 30, 2020 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Component Units					
<i>General obligation bonds:</i>					
Downtown Development 2004-A	\$ 375,000	\$ -	\$ (70,000)	\$ 305,000	\$ 70,000

The general obligation bonds have interest rates of 4.35% to 4.60%. The principal and interest requirements to retire the general obligation bonds outstanding at June 30, 2020 are as follows:

Year Ending June 30,	Downtown Development - 2004A	
	Principal	Interest
2021	\$ 70,000	\$ 13,925
2022	75,000	10,810
2023	80,000	7,360
2024	80,000	3,680
	\$ 305,000	\$ 35,775

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

12. FUND BALANCES

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

	General	Major Streets	Capital Improvement Reserve	2013 Revenue Refunding Bonds	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid items	\$ 79,789	\$ -	\$ -	\$ -	\$ -	\$ 79,789
Inventory	108,413	-	-	-	-	108,413
Land held for resale	11,110	-	-	-	-	11,110
Total nonspendable	<u>199,312</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>199,312</u>
Restricted for:						
Major and local streets	-	2,508,114	-	-	1,521,756	4,029,870
Public safety	-	-	-	-	99,979	99,979
Public transportation	-	-	-	-	5,226	5,226
Refuse collections	-	-	-	-	44,885	44,885
Land held for resale	-	-	-	-	1,150,450	1,150,450
Debt service	-	-	-	-	834,680	834,680
Total restricted	<u>-</u>	<u>2,508,114</u>	<u>-</u>	<u>-</u>	<u>3,656,976</u>	<u>6,165,090</u>
Committed for:						
Active employees cumulative benefits	938,198	-	-	-	-	938,198
Energy efficiency and conservation project	507,580	-	-	-	-	507,580
Peninsular dam inspection study and repair	500,000	-	-	-	-	500,000
Train Stop project	2,000,000	-	-	-	-	2,000,000
Capital projects	-	-	750,359	-	241,693	992,052
Debt service	-	-	-	1,625,141	-	1,625,141
Total committed	<u>3,945,778</u>	<u>-</u>	<u>750,359</u>	<u>1,625,141</u>	<u>241,693</u>	<u>6,562,971</u>
Unassigned	<u>4,205,335</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,205,335</u>
Fund Balance Totals	<u>\$ 8,350,425</u>	<u>\$ 2,508,114</u>	<u>\$ 750,359</u>	<u>\$ 1,625,141</u>	<u>\$ 3,898,669</u>	<u>\$17,132,708</u>

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

13. NET INVESTMENT IN CAPITAL ASSETS

The components of the net investment in capital assets in the governmental activities at June 30, 2020 was as follows:

Capital assets not being depreciated	\$ 2,182,183
Capital assets being depreciated, net	13,436,212
Capital lease	(23,943)
Biltmore agreement	(340,000)
Net Investment in Capital Assets	<u>\$ 15,254,452</u>

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

14. RISK MANAGEMENT

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

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

15. PROPERTY TAXES

The government's property taxes are levied each July 1 on the taxable valuation of property located in the City as of the preceding December 31, the lien date. Property taxes are payable without penalty and interest through September 14; as of February 14 of the succeeding year, unpaid real property taxes are sold to and collected by Washtenaw County. Assessed values, as established annually by the government and subject to acceptance by the County, are equalized by the State at an estimated 50% of current market value. The taxable value of real and personal property in the City for the 2019 levy was \$345,406,001. The City's general operating tax rate for fiscal year 2020 was 18.0298 mills plus 2.6362 mills for sanitation, 2.0043 mills for streets, 0.9277 for public transit and 11.8150 mills for police and fire pension.

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

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

16. DEFINED BENEFIT PENSION PLANS

The net pension asset, net pension liability and related deferred outflows and inflows of resources recorded in the accrual basis financial statements as of June 30, 2020 were as follows:

	Police and Fire Retirement System	MERS of Michigan	Total
Net pension asset	\$ -	\$3,696,350	\$3,696,350
Net pension liability	26,088,231	-	26,088,231
Deferred outflows of resources	1,504,564	279,647	1,784,211
Deferred inflows of resources	1,455	-	1,455
Pension expense	2,440,401	368,685	2,809,086

A. Police and Fire Retirement System

Plan Administration. The Police and Fire Retirement System is a single-employer defined benefit pension plan that is administered by the City of Ypsilanti Police and Fire Employees' Retirement System (the System); this plan covers all full-time police and fire employees of the City. The System provides retirement, disability, and death benefits to plan members and their beneficiaries. Cost of living adjustments are provided to members and beneficiaries. The System is included in the City's financial report as a pension trust fund.

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

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

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

Plan Membership. At June 30, 2019, the date of the latest actuarial valuation, membership in the plan consisted of the following:

Retirees and beneficiaries receiving benefits	125
Terminated employees entitled to but not yet receiving benefits	3
Active employees	41
Total	169

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

16. DEFINED BENEFIT PENSION PLANS (continued)

A. Police and Fire Retirement System (continued)

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

<u>Eligibility</u>	<u>Amount of Benefit</u>
20 or more years of service (25 years for Fire Chief) regardless of age or age 60 regardless of service.	Straight life pension equals 3.0% of three-year AFC times years of service for police and 3.0% of AFC times first 25 years of service, plus 1.0% of AFC times years of service in excess of 25 years, for fire. Additional benefit provisions apply to COAM members depending on hire dates.
25 or more years of service regardless of age for fire members hired after July 1, 2009	Straight life pension equals 2.5% of three-year AFC times years of service, with a 75% maximum.
25 or more years of service regardless of age for POAM/COAM members hired after July 1, 2009	Straight life pension equals 2.0% of three-year AFC times years of service.
Members hired after July 1, 2012	Same as members hired after July 1, 2009, except there is no annuity withdrawal options.

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

Contributions. The obligation to contribute to the System for these employees was established by City ordinances and state statute and requires a contribution from the employees of 10.0% of gross wages for plan members hired prior to July 1, 2009 and 5% of gross wages for plan members hired after July 1, 2009. The funding policy provides for periodic employer contributions at actuarially determined rates; the current rate is 63.89% of covered payroll.

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

16. DEFINED BENEFIT PENSION PLANS (continued)

A. Police and Fire Retirement System (continued)

Deferred Retirement Option Program (DROP). In lieu of retiring and receiving a monthly benefit, an eligible participant may elect to participate in the DROP by making an irrevocable election to terminate employment with the City and retire upon ceasing participation in the DROP. The DROP election must specify the future retirement date which must be within the maximum time period permitted (typically 3 to 5 years, based on bargaining unit and hire date). Upon entry in the DROP, the participant ceases to accrue years of service in the defined benefit pension plan. The participant remains an employee of the City for all other purposes, but the retirement benefit payment is calculated, and payments commence into a separate, restricted account. These monthly payments, along with interest earnings thereon, are not distributed to the participant until employment has terminated. DROP activity for the fiscal year ended June 30, 2020 is as follows:

Beginning balance	\$ 1,996,398
Credits	278,979
Interest	75,105
Distributions	(450,093)
Adjustments	3,957
Ending balance	<u>\$ 1,904,346</u>

Net Pension Liability. The City's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 (as rolled forward to June 30, 2020).

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2019 and rolled forward to the measurement date of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	3.0% - 8.5%, including inflation
Investment rate of return	7.0%, net of pension plan investment expense, including inflation
Mortality rates	RP-2014 Healthy Annuitant Mortality Table for males and females projected 6 years to 2020, with MP-2014. The provision for future mortality improvement is the projection to 2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2009 through June 30, 2014.

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

16. DEFINED BENEFIT PENSION PLANS (continued)

A. Police and Fire Retirement System (continued)

Investment Allocation Policy. The System’s policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board. The policy pursues an investment strategy that protects the financial health of the System and reduces risk through the prudent portfolio diversification. The adopted asset allocation policy as of June 30, 2020, 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, 2020 are summarized below:

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

Discount Rate. The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

16. DEFINED BENEFIT PENSION PLANS (continued)

A. Police and Fire Retirement System (continued)

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2019	\$ 50,053,391	\$ 25,335,037	\$ 24,718,354
Changes for the fiscal year:			
Service cost	513,082	-	513,082
Interest	3,382,970	-	3,382,970
Differences between expected and actual experience	79,724	-	79,724
Assumption changes	419,434	-	419,434
Employer contributions	-	2,026,131	(2,026,131)
Employee contributions	-	218,505	(218,505)
Net investment income	-	843,733	(843,733)
Benefit payments, including refunds of employee contributions	(3,963,579)	(3,963,579)	-
Administrative expense	-	(63,036)	63,036
Net changes	<u>431,631</u>	<u>(938,246)</u>	<u>1,369,877</u>
Balances at June 30, 2020	<u>\$ 50,485,022</u>	<u>\$ 24,396,791</u>	<u>\$ 26,088,231</u>

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

	1% Decrease (6.0%)	Current Rate (7.0%)	1% Increase (8.0%)
Net pension liability	\$ 31,574,154	\$ 26,088,231	\$ 21,374,407

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

16. DEFINED BENEFIT PENSION PLANS (continued)

A. Police and Fire Retirement System (continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension. For the year ended June 30, 2020, the City recognized pension expense of \$2,440,401. The City reported deferred outflows of resources related to pension from the following sources:

	Net Deferred Outflows/ (Inflows) of Resources
Difference between expected and actual experience	\$ 49,308
Assumption changes	361,917
Net difference between projected and actual earnings on pension plan investments	1,091,884
Total	\$ 1,503,109

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, 2021. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year Ended	
June 30,	Amount
2021	\$ 476,430
2022	478,403
2023	373,891
2024	174,385
	\$ 1,503,109

B. Municipal Employees Retirement System of Michigan

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

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

16. DEFINED BENEFIT PENSION PLANS (continued)

B. Municipal Employees Retirement System of Michigan (continued)

Contributions. The obligation to contribute to and maintain the MERS for these employees was established by City ordinances and requires a contribution from the employees of 5.0% of annual compensation. The actuarially determined employer contribution rate, as established by the MERS Retirement Board, is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with such additional amount as necessary to finance any unfunded accrued liability. Employer contributions of 7.49% of annual payroll for only the non-union division were required for the year ended June 30, 2020. This was determined as part of an actuarial valuation at December 31, 2015, using the entry age normal cost method.

Benefits Provided. Pension benefits are calculated as final average compensation (based on a 3-year period) and multipliers ranging from 2.0% to 2.5%. Participants are considered to be fully vested in the plan after 10 years. Normal retirement age is 60 with early retirement at age 50 with 25 years of service. The employer may establish contribution rates to be paid by its covered employees. Currently, member contributions range from 0% to 5.0%.

Employees Covered by Benefit Terms. At December 31, 2019, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	52
Inactive employees entitled to but not yet receiving benefits	55
Active employees	39
Total	146

Net Pension Asset. The City's net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases:	
Current measurement period	3.00% in the long-term
Prior measurement period	3.75% in the long-term
Investment rate of return:	
Current measurement period	7.60%, including inflation
Prior measurement period	8.00%, including inflation

Although no specific price inflation assumptions are needed for the valuation, the 2.5% long-term wage inflation assumption would be consistent with a price inflation of 3% - 4%.

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

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

16. **DEFINED BENEFIT PENSION PLANS (continued)**

B. **Municipal Employees Retirement System of Michigan** (continued)

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of the most recent actuarial experience study of 2009 - 2013.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	60.0%	3.70%
Global fixed income	20.0%	0.30%
Diversifying strategies	20.0%	1.30%

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2019 was 7.6%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

16. DEFINED BENEFIT PENSION PLANS (continued)

B. Municipal Employees Retirement System of Michigan (continued)

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

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset)
	(a)	(b)	(a) - (b)
Balances at December 31, 2018	\$ 14,922,112	\$ 18,009,240	\$ (3,087,128)
Changes for the fiscal year:			
Service cost	234,864	-	234,864
Interest	1,103,826	-	1,103,826
Differences between expected and actual experience	37,507	-	37,507
Change in assumptions	462,057	-	462,057
Employer contributions	-	32,835	(32,835)
Employee contributions	-	100,383	(100,383)
Net investment income	-	2,413,922	(2,413,922)
Benefit payments, including refunds of employee contributions	(1,031,038)	(1,031,038)	-
Administrative expense	-	(41,568)	41,568
Other changes	58,096	-	58,096
Net changes	<u>865,312</u>	<u>1,474,534</u>	<u>(609,222)</u>
Balances at December 31, 2019	<u>\$ 15,787,424</u>	<u>\$ 19,483,774</u>	<u>\$ (3,696,350)</u>

Sensitivity of the Net Pension (Asset) to Changes in the Discount Rate. The following presents the net pension asset of the City, calculated using the discount rate of 7.6%, as well as what the City's net pension asset would be if it were calculated using a discount rate that is 1% lower (6.6%) and 1% higher (8.6%) than the current rate:

	1% Decrease (6.6%)	Current Rate (7.6%)	1% Increase (8.6%)
Net pension (asset)	\$ (2,012,825)	\$ (3,696,350)	\$ (5,119,992)

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

16. DEFINED BENEFIT PENSION PLANS (continued)

B. Municipal Employees Retirement System of Michigan (continued)

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions. For the fiscal year ended June 30, 2020, the City recognized pension expense of \$368,685. The City reported deferred outflows of resources related to pension from the following sources:

	Deferred Outflows of Resources
Difference between expected and actual experience	\$ 18,754
Net difference between projected and actual earnings on pension plan investments	12,285
Change in assumptions	231,029
Contributions subsequent to the measurement date	17,579
Total	\$ 279,647

Contributions subsequent to the measurement date will be recognized as an adjustment to the net pension asset for the year ending June 30, 2021. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year Ended	Amount
June 30,	
2021	\$ 186,316
2022	51,619
2023	240,316
2024	(216,183)
	\$ 262,068

17. OTHER POSTEMPLOYMENT BENEFITS

The City provides retiree healthcare benefits for all eligible employees, their spouses and dependents who meet eligibility requirements. Depending on hire date, employees either participate in the Municipal Employees Retirement System (MERS) of Michigan's Retiree Health Funding Vehicle (defined benefit OPEB plan) or Health Care Savings Program (defined contribution OPEB plan). MERS pools assets of the participating employers for investment purposes but maintains separate accounts for each individual employer in the Retiree Health Funding Vehicle and each individual employee in the Health Care Savings Program. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

17. OTHER POSTEMPLOYMENT BENEFITS (continued)

A. MERS Retiree Health Funding Vehicle

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

Contributions. The City has no obligation to make contributions in advance of when the insurance premiums or benefits are due for payment; in other words, the plan may be financed on a pay-as-you-go basis. Administrative costs of the Plan are paid for by the City's general fund. Plan participants are not required to contribute to the Plan. For the fiscal year ended June 30, 2020, the City made contributions to advance-fund the Plan totaling \$1,614,933.

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

Employees Covered by Benefit Terms. At June 30, 2020, plan membership consisted of the following:

Retired participants	151
Active participants (includes current employees with waivers)	50
Total	201

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

17. OTHER POSTEMPLOYMENT BENEFITS (continued)

A. MERS Retiree Health Funding Vehicle (continued)

Net OPEB Liability. The City's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	3.5%
Retirement age	Graded by age and service
Healthcare cost trend rates	6.85% for 2020, decreasing 0.25% per year to an ultimate rate of 4.5% for 2030 and later years

Mortality rates of participants were based on the Pub-2010 base rates, projected fully generationally with scale MP2019. Public safety rates were assumed for police and firefighters and general rates were assumed for all others.

The actuarial assumptions used in the June 30, 2020 valuation were based on industry studies of municipal employers' retirement plans and studies published by the Society of Actuaries.

The long-term expected rate of return on the OPEB plan investments was determined using a forward-looking estimate of capital market returns model for each investment major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and investment expenses. The target allocation and best estimates of arithmetic real rates of return for each asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	60.00%	3.15%
Global fixed income	20.00%	0.25%
Private assets	20.00%	1.45%

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

17. OTHER POSTEMPLOYMENT BENEFITS (continued)

A. MERS Retiree Health Funding Vehicle (continued)

Discount Rate. The discount rate used to measure the total OPEB liability as of June 30, 2020 was 7.0%. The projection of cash flows used to determine the discount rate assumes City contributions will be made at the rates agreed upon for employees and the actuarially determined rates. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2019	\$ 25,855,514	\$ 7,303,189	\$ 18,552,325
Changes for the fiscal year:			
Service cost, including administrative expenses	342,439	-	342,439
Interest	1,761,197	-	1,761,197
Benefit changes	(2,162,005)	-	(2,162,005)
Differences between expected and actual experience	(2,292,169)	-	(2,292,169)
Assumption changes	(249,307)	-	(249,307)
Employer contributions	-	1,614,933	(1,614,933)
Net investment income	-	174,251	(174,251)
Benefit payments	(1,391,112)	(1,391,112)	-
Net changes	<u>(3,990,957)</u>	<u>398,072</u>	<u>(4,389,029)</u>
Balances at June 30, 2020	<u>\$ 21,864,557</u>	<u>\$ 7,701,261</u>	<u>\$ 14,163,296</u>

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

	1% Decrease (6.0%)	Current Rate (7.0%)	1% Increase (8.0%)
Net OPEB liability	\$ 17,041,810	\$ 14,163,296	\$ 11,817,211

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

17. OTHER POSTEMPLOYMENT BENEFITS (continued)

A. MERS Retiree Health Funding Vehicle (continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.85% decreasing to 3.5%) and 1% higher (7.85% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (5.85% decreasing to 3.50%)	Current Cost Trend Rate (6.85% decreasing to 4.50%)	1% Increase (7.85% decreasing to 5.50%)
Net OPEB liability	\$ 11,837,077	\$ 14,163,296	\$ 17,014,382

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB. For the fiscal year ended June 30, 2020, the City recognized negative OPEB expense of \$3,339,766. The City reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Difference between expected and actual experience	\$ 98,167	\$ (768,486)	\$ (670,319)
Change in assumptions	777,221	(48,819)	728,402
Net difference between projected and actual earnings on plan investments	452,753	-	452,753
Total	<u>\$ 1,328,141</u>	<u>\$ (817,305)</u>	<u>\$ 510,836</u>

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

Year Ended June 30,	Amount
2021	\$ 153,408
2022	164,297
2023	124,169
2024	68,962
	<u>\$ 510,836</u>

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

17. OTHER POSTEMPLOYMENT BENEFITS (continued)

B. MERS Health Care Savings Program

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

Contributions. City public safety employees hired on or after July 1, 2012, and all other City employees hired on or after July 1, 2010, are provided a health care savings account and the City will contribute \$150 per month to each fund. There are no contribution requirements for employees. For the fiscal year ended June 30, 2020, the City contributed \$128,130 to employee health care savings accounts.

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

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

18. JOINT VENTURE

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

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

19. TAX ABATEMENTS

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

CITY OF YPSILANTI, MICHIGAN
Notes to the Financial Statements
Fiscal Year Ended June 30, 2020

20. LAND HELD FOR RESALE

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

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

21. CONTINGENCIES

The financial impact of the COVID-19 pandemic and ensuing emergency measures impacted the second half of fiscal year 2020 and will likely impact subsequent periods of the City. The impact on the City's future operating costs, revenues, pension and OPEB-related actuarial assumptions and actual experience, and any recovery from emergency funding, either federal or state, cannot be estimated at this time.

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**Required
Supplementary
Information**



CITY OF
YPSILANTI

Home of Eastern Michigan University

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

	Calendar Year Ended December 31,					
	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 234,864	\$ 235,814	\$ 260,883	\$ 270,060	\$ 297,939	\$ 261,667
Interest	1,103,826	1,136,153	1,114,331	1,130,555	1,026,796	1,018,946
Difference between expected and actual experience	37,507	(80,784)	(231,608)	(769,105)	27,391	-
Changes of assumptions	462,057	-	-	-	758,423	-
Benefit payments, including employee refunds	(1,031,038)	(906,156)	(810,433)	(849,021)	(814,387)	(814,923)
Other	58,096	-	-	-	32,088	-
Net change in total pension liability	865,312	385,027	333,173	(217,511)	1,328,250	465,690
Total pension liability - beginning	14,922,112	14,537,085	14,203,912	14,421,423	13,093,173	12,627,483
Total pension liability - ending (a)	15,787,424	14,922,112	14,537,085	14,203,912	14,421,423	13,093,173
Plan net position						
Contributions - employer	32,835	33,752	38,443	37,997	16,098	-
Contributions - member	100,383	107,886	112,810	120,245	118,023	109,007
Net investment income	2,413,922	(749,695)	2,348,356	1,886,365	(260,995)	1,089,980
Benefit payments, including employee refunds	(1,031,038)	(906,156)	(810,433)	(849,021)	(814,387)	(814,923)
Administrative expense	(41,568)	(37,602)	(37,212)	(37,254)	(38,466)	(39,926)
Net change in plan net position	1,474,534	(1,551,815)	1,651,964	1,158,332	(979,727)	344,138
Plan net position - beginning	18,009,240	19,561,055	17,909,091	16,750,759	17,730,486	17,386,348
Plan net position - ending (b)	19,483,774	18,009,240	19,561,055	17,909,091	16,750,759	17,730,486
Net pension asset - ending (a) - (b)	\$ (3,696,350)	\$ (3,087,128)	\$ (5,023,970)	\$ (3,705,179)	\$ (2,329,336)	\$ (4,637,313)
Ratio of plan net position to total pension liability	123.4%	120.7%	134.6%	126.1%	116.2%	135.4%
Covered payroll	\$ 2,037,810	\$ 2,031,338	\$ 2,202,714	\$ 2,263,584	\$ 2,440,537	\$ 2,116,057
Net pension asset as a percentage of covered payroll	-181.39%	-151.98%	-228.08%	-163.69%	-95.44%	-219.15%

(1) Information prior to 2014 was not available. The City will continue to present information for years available until a full ten-year trend is available.
 (2) The measurement year is from January 1 through December 31.

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

	Fiscal Year Ended June 30,					
	2020	2019	2018	2017	2016	2015
Actuarially determined employer contributions	\$ 35,139	\$ 31,043	\$ 31,699	\$ 41,680	\$ 48,530	\$ -
Actual employer contributions	(35,139)	(31,043)	(31,699)	(41,680)	(48,530)	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City covered payroll	\$ 2,407,228	\$ 2,337,851	\$ 2,463,975	\$ 2,336,356	\$ 2,350,653	\$ 2,116,057
Actual contributions as a percentage of covered payroll	1.46%	1.33%	1.29%	1.78%	2.06%	0.00%

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

Notes to Schedule

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	15 years
Asset valuation method	5-year smoothing
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	7.60%
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, 2015 actuarial valuations. The Early Retirement rates were first used for the December 31, 2015 actuarial valuations.

Mortality	A 50% Male - 50% Female blend of the RP-2014 Healthy Annuitant, RP-2014 Employee, and RP-2014 Juvenile mortality tables for non-disabled participants and RP 2014 Disabled Retiree mortality table for disabled participants, with 90% of active member deaths assumed to be non-duty deaths and 10% of deaths assumed to be duty related.
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Previous Actuarial Methods and Assumptions

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

During the fiscal year ended June 30, 2020, the Plan experienced a change in actuarial assumptions, reducing the discount rate from 8.0% to 7.6% and salary increases were decreased from 3.75% to 3.0%.

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

	Fiscal Year Ended June 30,				
	2020	2019	2018	2017	2016
Total pension liability					
Service cost	\$ 513,082	\$ 427,454	\$ 410,415	\$ 483,184	\$ 624,175
Interest	3,382,970	3,401,642	3,329,509	3,334,772	3,377,822
Benefit changes	-	-	-	-	-
Difference between expected and actual experience	79,724	(46,777)	989,272	297,192	-
Changes of assumptions	419,434	3,049,619	-	-	-
Benefit payments, including employee refunds	(3,963,579)	(3,840,067)	(3,711,871)	(4,585,964)	(4,425,057)
Net change in total pension liability	431,631	2,991,871	1,017,325	(470,816)	(423,060)
Total pension liability - beginning	50,053,391	47,061,520	46,044,195	46,515,011	46,938,071
Total pension liability - ending (a)	50,485,022	50,053,391	47,061,520	46,044,195	46,515,011
Plan net position					
Contributions - employer	2,026,131	1,517,865	1,466,261	1,355,989	1,240,657
Contributions - member	218,505	200,724	171,520	208,502	234,471
Net investment income	843,733	923,634	2,087,588	2,619,925	(253,617)
Benefit payments, including employee refunds	(3,963,579)	(3,840,067)	(3,711,871)	(4,585,964)	(4,425,057)
Administrative expense	(63,036)	(68,881)	(70,982)	(72,546)	(67,345)
Net change in plan net position	(938,246)	(1,266,725)	(57,484)	(474,094)	(3,270,891)
Plan net position - beginning	25,335,037	26,601,762	26,659,246	27,133,340	30,404,231
Plan net position - ending (b)	24,396,791	25,335,037	26,601,762	26,659,246	27,133,340
Net pension liability - ending (a) - (b)	\$ 26,088,231	\$ 24,718,354	\$ 20,459,758	\$ 19,384,949	\$ 19,381,671
Ratio of plan net position to total pension liability	48.32%	50.62%	56.53%	57.90%	58.33%
Covered payroll	\$ 3,171,434	\$ 2,794,588	\$ 2,844,954	\$ 3,174,402	\$ 3,170,835
Net pension liability as a percentage of covered payroll	822.60%	884.51%	719.16%	610.66%	611.25%

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

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

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

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

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

	Fiscal Year Ended June 30,				
	2020	2019	2018	2017	2016
Actuarially determined employer contributions	\$ 2,026,129	\$ 1,517,865	\$ 1,466,261	\$ 1,355,989	\$ 1,240,657
Actual employer contributions	<u>(2,026,131)</u>	<u>(1,517,865)</u>	<u>(1,466,261)</u>	<u>(1,355,989)</u>	<u>(1,240,657)</u>
Contribution deficiency (excess)	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 3,171,434	\$ 2,794,588	\$ 2,844,954	\$ 3,174,402	\$ 3,170,835
Actual contributions as a percentage of covered payroll	63.89%	54.31%	51.54%	42.72%	39.13%

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

Notes to Schedule

Valuation date	Actuarially determined contribution rates are calculated as of June 30 that is 12 months prior to the beginning of the fiscal year for which the contributions are reported
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years for 2018 valuation
Asset valuation method	5-year smoothing
Inflation	2.50%
Salary increases	3.0% to 8.50% including inflation
Investment rate of return	7.0%, net of pension plan investment expense, including inflation
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2010 valuation.
Mortality	RP-2014 Health Annuitant Mortality Table for males and females projected six years to 2020, with MP-2014. The provision for future mortality improvement is the projection to 2020.

Previous Actuarial Methods and Assumptions

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

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

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

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

	<u>2015</u>	<u>2014</u>
Actuarially determined employer contributions	\$ 1,395,423	\$ 1,347,529
Actual employer contributions	<u>(1,395,423)</u>	<u>(1,358,167)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (10,638)</u>
City covered payroll	\$ 3,298,809	\$ 3,440,059
Actual contributions as a percentage of covered payroll	42.30%	39.17%

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

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

Fiscal Year End	Annual Money- Weighted Rate of Return, net
6/30/2020	3.56%
6/30/2019	3.92%
6/30/2018	8.35%
6/30/2017	10.34%
6/30/2016	-0.27%
6/30/2015	3.70%
6/30/2014	19.22%
6/30/2013	13.99%

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

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

	Fiscal Year Ended June 30,			
	2020	2019	2018	2017
Total OPEB liability				
Service cost	\$ 342,439	\$ 367,312	\$ 331,725	\$ 272,161
Interest	1,761,197	1,699,532	1,389,225	1,344,933
Benefit changes	(2,162,005)	-	-	-
Difference between expected and actual experience	(2,292,169)	225,529	(1,792,674)	388,347
Changes of assumptions	(249,307)	-	4,358,987	3,631,280
Benefit payments, including employee refunds	(1,391,112)	(1,431,762)	(1,330,100)	(1,063,766)
Net change in total OPEB liability	(3,990,957)	860,611	2,957,163	4,572,955
Total OPEB liability - beginning	25,855,514	24,994,903	22,037,740	17,464,785
Total OPEB liability - ending (a)	21,864,557	25,855,514	24,994,903	22,037,740
Plan net position				
Contributions - employer	1,614,933	1,457,080	1,579,641	1,392,235
Net investment income	174,251	218,970	396,722	398,295
Benefit payments, including employee refunds	(1,391,112)	(1,431,762)	(1,330,100)	(1,063,766)
Net change in plan net position	398,072	244,288	646,263	726,764
Plan net position - beginning	7,303,189	7,058,901	6,412,638	5,685,874
Plan net position - ending (b)	7,701,261	7,303,189	7,058,901	6,412,638
Net OPEB liability - ending (a) - (b)	\$ 14,163,296	\$ 18,552,325	\$ 17,936,002	\$ 15,625,102
Ratio of plan net position to total OPEB liability	35.22%	28.25%	28.24%	29.10%
Covered payroll	\$ 2,158,140	\$ 4,493,655	\$ 4,341,696	\$ 4,499,309
Net OPEB liability as a percentage of covered payroll	656.27%	412.86%	413.11%	347.28%

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

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

	Fiscal Year Ended June 30,			
	2020	2019	2018	2017
Actuarially determined employer contributions	\$ 1,614,933	\$ 1,457,080	\$ 1,579,641	\$ 1,434,981
Actual employer contributions	<u>(1,614,933)</u>	<u>(1,457,080)</u>	<u>(1,579,641)</u>	<u>(1,392,235)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,746</u>
City covered payroll	\$ 2,158,140	\$ 4,493,655	\$ 4,341,696	\$ 4,499,309
Actual contributions as a percentage of covered payroll	74.83%	32.43%	36.38%	31.89%

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

Notes to Schedule

Actuarial cost method	Entry age normal
Asset valuation method	Market value
Investment rate of return	7.00%
Projected salary increases	3.50%
Retirement age	Graded by age and services
Mortality	Probabilities of death for participants were according to the Pub-2010 based rates, projected fully generationally with scale MP2019. Public safety rates were assumed for police and firefighters and general rates were assumed for all others.

Previous Actuarial Methods and Assumptions

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

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

During the fiscal year ended June 30, 2020, base mortality rates were changed from RP2014 to Pub-2010 with public safety rates assumed for police and firefighters and general rates assumed for others; mortality improvement scales were changed from MP2017 projected to 2018 to MP2019 projected fully generationally; and assumed health care cost inflation trend rates used were lowered.

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Supplemental Section

Combining and Other Financial Information



CITY OF
YPSILANTI

Home of Eastern Michigan University

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CITY OF YPSILANTI, MICHIGAN
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 1,645,681	\$ 14,337	\$ 1,066,773	\$ 2,726,791
Receivables	1,157	4,795	500	6,452
Land held for resale	-	-	1,150,450	1,150,450
Due from other governments	64,029	-	-	64,029
Total assets	<u>\$ 1,710,867</u>	<u>\$ 19,132</u>	<u>\$ 2,217,723</u>	<u>\$ 3,947,722</u>
Liabilities				
Accounts payable	\$ 23,554	\$ 12	\$ 685	\$ 24,251
Accrued liabilities	6,905	-	189	7,094
Tax refunds payable	8,562	9,146	-	17,708
Total liabilities	<u>39,021</u>	<u>9,158</u>	<u>874</u>	<u>49,053</u>
Fund Balances				
Restricted	1,671,846	9,974	1,975,156	3,656,976
Committed	-	-	241,693	241,693
Total fund balances	<u>1,671,846</u>	<u>9,974</u>	<u>2,216,849</u>	<u>3,898,669</u>
Total liabilities and fund balances	<u>\$ 1,710,867</u>	<u>\$ 19,132</u>	<u>\$ 2,217,723</u>	<u>\$ 3,947,722</u>

CITY OF YPSILANTI, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Fiscal Year Ended June 30, 2020

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues				
Taxes and special assessments	\$ 1,146,261	\$ 688,527	\$ -	\$ 1,834,788
Licenses and permits	8,860	-	64,889	73,749
Intergovernmental	856,640	31,875	1,922,818	2,811,333
Investment earnings	38,582	49	3,987	42,618
Other	72,479	-	9,004	81,483
Total revenues	<u>2,122,822</u>	<u>720,451</u>	<u>2,000,698</u>	<u>4,843,971</u>
Expenditures				
Current:				
General government	-	126	-	126
Public safety	9,124	-	-	9,124
Public works	-	-	149,263	149,263
Refuse collection	981,524	-	-	981,524
Highways, streets and bridges	345,186	-	-	345,186
Public transportation	294,896	-	-	294,896
Tax tribunal refunds	88	4,619	-	4,707
Debt Service:				
Principal retirement	-	620,000	1,435,000	2,055,000
Interest and fiscal charges	-	282,140	437,818	719,958
Total expenditures	<u>1,630,818</u>	<u>906,885</u>	<u>2,022,081</u>	<u>4,559,784</u>
Excess (deficiency) of revenues over (under) expenditures	<u>492,004</u>	<u>(186,434)</u>	<u>(21,383)</u>	<u>284,187</u>
Other Financing Sources (Uses)				
Transfers in	212,367	187,906	-	400,273
Transfers out	(375,000)	-	-	(375,000)
Total other financing sources (uses)	<u>(162,633)</u>	<u>187,906</u>	<u>-</u>	<u>25,273</u>
Net change in fund balances	329,371	1,472	(21,383)	309,460
Fund balance-beginning of year	<u>1,342,475</u>	<u>8,502</u>	<u>2,238,232</u>	<u>3,589,209</u>
Fund balance-end of year	<u>\$ 1,671,846</u>	<u>\$ 9,974</u>	<u>\$ 2,216,849</u>	<u>\$ 3,898,669</u>

CITY OF YPSILANTI, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2020

	Local Streets	Public Safety	Garbage and Rubbish Collection	Police	Public Transportation	Total Nonmajor Special Revenue Funds
Assets						
Cash and cash equivalents	\$ 1,462,008	\$ 35,880	\$ 60,706	\$ 64,099	\$ 22,988	\$ 1,645,681
Receivables	1,157	-	-	-	-	1,157
Due from other governments	64,029	-	-	-	-	64,029
Total assets	<u>\$ 1,527,194</u>	<u>\$ 35,880</u>	<u>\$ 60,706</u>	<u>\$ 64,099</u>	<u>\$ 22,988</u>	<u>\$ 1,710,867</u>
Liabilities						
Accounts payable	\$ 3,375	\$ -	\$ 4,672	\$ -	\$ 15,507	\$ 23,554
Accrued liabilities	2,063	-	4,842	-	-	6,905
Tax refunds payable	-	-	6,307	-	2,255	8,562
Total liabilities	<u>5,438</u>	<u>-</u>	<u>15,821</u>	<u>-</u>	<u>17,762</u>	<u>39,021</u>
Fund Balances						
Restricted	1,521,756	35,880	44,885	64,099	5,226	1,671,846
Total fund balances	<u>1,521,756</u>	<u>35,880</u>	<u>44,885</u>	<u>64,099</u>	<u>5,226</u>	<u>1,671,846</u>
Total liabilities and fund balances	<u>\$ 1,527,194</u>	<u>\$ 35,880</u>	<u>\$ 60,706</u>	<u>\$ 64,099</u>	<u>\$ 22,988</u>	<u>\$ 1,710,867</u>

CITY OF YPSILANTI, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

Fiscal Year Ended June 30, 2020

	Local Streets	Public Safety	Garbage and Rubbish Collection	Police	Public Transportation	Total Nonmajor Special Revenue Funds
Revenues						
Taxes and special assessments	\$ -	\$ -	\$ 859,479	\$ -	\$ 286,782	\$ 1,146,261
Licenses and permits	8,860	-	-	-	-	8,860
Intergovernmental	458,761	397,879	-	-	-	856,640
Investment earnings	22,210	-	5,218	1,160	9,994	38,582
Other	42,366	-	30,113	-	-	72,479
Total revenues	<u>532,197</u>	<u>397,879</u>	<u>894,810</u>	<u>1,160</u>	<u>296,776</u>	<u>2,122,822</u>
Expenditures						
Current:						
Public safety	-	4,468	-	4,656	-	9,124
Refuse collection	-	-	981,524	-	-	981,524
Highways, streets and bridges	345,186	-	-	-	-	345,186
Public transportation	-	-	-	-	294,896	294,896
Tax tribunal refunds	-	-	-	-	88	88
Total expenditures	<u>345,186</u>	<u>4,468</u>	<u>981,524</u>	<u>4,656</u>	<u>294,984</u>	<u>1,630,818</u>
Excess (deficiency) of revenues over (under) expenditures	<u>187,011</u>	<u>393,411</u>	<u>(86,714)</u>	<u>(3,496)</u>	<u>1,792</u>	<u>492,004</u>
Other Financing Sources (Uses)						
Transfers in	97,692	-	114,675	-	-	212,367
Transfers out	-	(375,000)	-	-	-	(375,000)
Total other financing sources (uses)	<u>97,692</u>	<u>(375,000)</u>	<u>114,675</u>	<u>-</u>	<u>-</u>	<u>(162,633)</u>
Net change in fund balances	284,703	18,411	27,961	(3,496)	1,792	329,371
Fund balance-beginning of year	<u>1,237,053</u>	<u>17,469</u>	<u>16,924</u>	<u>67,595</u>	<u>3,434</u>	<u>1,342,475</u>
Fund balance-end of year	<u>\$ 1,521,756</u>	<u>\$ 35,880</u>	<u>\$ 44,885</u>	<u>\$ 64,099</u>	<u>\$ 5,226</u>	<u>\$ 1,671,846</u>

CITY OF YPSILANTI, MICHIGAN
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Local Streets Fund
 Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
Revenues				
Licenses and permits	\$ 4,200	\$ 4,200	\$ 8,860	\$ 4,660
Intergovernmental	425,990	425,990	458,761	32,771
Investment earnings	5,191	5,191	22,210	17,019
Other	8,000	8,000	42,366	34,366
Total revenues	<u>443,381</u>	<u>443,381</u>	<u>532,197</u>	<u>88,816</u>
Expenditures				
Current:				
Highways, streets and bridges:				
Street construction	28,586	35,586	28,969	6,617
Routine maintenance	358,909	362,409	209,346	153,063
Traffic services	40,024	48,024	50,313	(2,289)
Winter maintenance	73,788	73,788	42,460	31,328
Administration	39,766	39,766	14,098	25,668
Total expenditures	<u>541,073</u>	<u>559,573</u>	<u>345,186</u>	<u>214,387</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(97,692)</u>	<u>(116,192)</u>	<u>187,011</u>	<u>303,203</u>
Other Financing Sources				
Transfers in	<u>97,692</u>	<u>97,692</u>	<u>97,692</u>	<u>-</u>
Net change in fund balances	-	(18,500)	284,703	<u>\$ 303,203</u>
Fund balance-beginning of year	<u>1,237,053</u>	<u>1,237,053</u>	<u>1,237,053</u>	
Fund balance-end of year	<u>\$ 1,237,053</u>	<u>\$ 1,218,553</u>	<u>\$ 1,521,756</u>	

CITY OF YPSILANTI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Public Safety Fund

Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 375,000	\$ 375,000	\$ 397,879	\$ 22,879
Expenditures				
Current:				
Public safety	-	15,000	4,468	10,532
Excess of revenues over expenditures	375,000	360,000	393,411	33,411
Other Financing Uses				
Transfers out	(375,000)	(375,000)	(375,000)	-
Net change in fund balances	-	(15,000)	18,411	\$ 33,411
Fund balance-beginning of year	17,469	17,469	17,469	
Fund balance-end of year	\$ 17,469	\$ 2,469	\$ 35,880	

CITY OF YPSILANTI, MICHIGAN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Garbage and Rubbish Collection Fund
Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
Revenues				
Taxes and special assessments	\$ 841,188	\$ 841,188	\$ 859,479	\$ 18,291
Investment earnings	3,893	3,893	5,218	1,325
Other	24,875	24,875	25,354	479
Total revenues	<u>869,956</u>	<u>869,956</u>	<u>890,051</u>	<u>20,095</u>
Expenditures				
Current:				
Refuse collection	929,056	939,431	981,524	(42,093)
Tax tribunal refunds	1,000	1,000	(4,759)	5,759
Total expenditures	<u>930,056</u>	<u>940,431</u>	<u>976,765</u>	<u>(36,334)</u>
Deficiency of revenues under expenditures	<u>(60,100)</u>	<u>(70,475)</u>	<u>(86,714)</u>	<u>(16,239)</u>
Other Financing Sources				
Transfers in	<u>60,100</u>	<u>66,675</u>	<u>114,675</u>	<u>48,000</u>
Net change in fund balances	-	(3,800)	27,961	<u>\$ 31,761</u>
Fund balance-beginning of year	<u>16,924</u>	<u>16,924</u>	<u>16,924</u>	
Fund balance-end of year	<u>\$ 16,924</u>	<u>\$ 13,124</u>	<u>\$ 44,885</u>	

CITY OF YPSILANTI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Police Fund

Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
Revenues				
Investment earnings	\$ 482	\$ 482	\$ 1,160	\$ 678
Other	<u>12,562</u>	<u>12,562</u>	-	<u>(12,562)</u>
Total revenues	<u>13,044</u>	<u>13,044</u>	<u>1,160</u>	<u>(11,884)</u>
Expenditures				
Current:				
Public safety	<u>13,044</u>	<u>13,044</u>	<u>4,656</u>	<u>8,388</u>
Net change in fund balances	-	-	(3,496)	<u>\$ (3,496)</u>
Fund balance-beginning of year	<u>67,595</u>	<u>67,595</u>	<u>67,595</u>	
Fund balance-end of year	<u>\$ 67,595</u>	<u>\$ 67,595</u>	<u>\$ 64,099</u>	

CITY OF YPSILANTI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Public Transportation Fund

Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
Revenues				
Taxes and special assessments	\$ 295,413	\$ 295,413	\$ 286,782	\$ (8,631)
Investment earnings	361	361	9,994	9,633
Total revenues	<u>295,774</u>	<u>295,774</u>	<u>296,776</u>	<u>1,002</u>
Expenditures				
Current:				
Public transportation	294,874	294,874	294,896	(22)
Tax tribunal refunds	900	900	88	812
Total expenditures	<u>295,774</u>	<u>295,774</u>	<u>294,984</u>	<u>790</u>
Net change in fund balances	-	-	1,792	<u>\$ 1,792</u>
Fund balance-beginning of year	<u>3,434</u>	<u>3,434</u>	<u>3,434</u>	
Fund balance-end of year	<u>\$ 3,434</u>	<u>\$ 3,434</u>	<u>\$ 5,226</u>	

CITY OF YPSILANTI, MICHIGAN
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2020

	2002-B Revenue Bonds	2016 Refunding Bonds Debt Service	2012 Refunding Bonds Debt Service	Total Nonmajor Debt Service Funds
Assets				
Cash and cash equivalents	\$ -	\$ 1,391	\$ 12,946	\$ 14,337
Accounts receivable	-	4,795	-	4,795
Total assets	<u>\$ -</u>	<u>\$ 6,186</u>	<u>\$ 12,946</u>	<u>\$ 19,132</u>
Liabilities				
Accounts payable	\$ -	\$ 6	\$ 6	\$ 12
Tax refunds payable	-	4,795	4,351	9,146
Total liabilities	<u>-</u>	<u>4,801</u>	<u>4,357</u>	<u>9,158</u>
Fund Balances				
Restricted	-	1,385	8,589	9,974
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 6,186</u>	<u>\$ 12,946</u>	<u>\$ 19,132</u>

CITY OF YPSILANTI, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Debt Service Funds

Fiscal Year Ended June 30, 2020

	2002-B Revenue Bonds	2016 Refunding Bonds Debt Service	2012 Refunding Bonds Debt Service	Total Nonmajor Debt Service Funds
Revenues				
Taxes and special assessments	\$ -	\$ 687,739	\$ 788	\$ 688,527
Intergovernmental	31,875	-	-	31,875
Investment earnings	-	-	49	49
Total revenues	<u>31,875</u>	<u>687,739</u>	<u>837</u>	<u>720,451</u>
Expenditures				
Current:				
General government	-	126	-	126
Tax tribunal refunds	-	4,619	-	4,619
Debt Service:				
Principal retirement	30,000	590,000	-	620,000
Interest and fiscal charges	1,875	279,515	750	282,140
Total expenditures	<u>31,875</u>	<u>874,260</u>	<u>750</u>	<u>906,885</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(186,521)</u>	<u>87</u>	<u>(186,434)</u>
Other Financing Sources				
Transfers in	<u>-</u>	<u>187,906</u>	<u>-</u>	<u>187,906</u>
Net change in fund balances	-	1,385	87	1,472
Fund balance-beginning of year	<u>-</u>	<u>-</u>	<u>8,502</u>	<u>8,502</u>
Fund balance-end of year	<u>\$ -</u>	<u>\$ 1,385</u>	<u>\$ 8,589</u>	<u>\$ 9,974</u>

CITY OF YPSILANTI, MICHIGAN
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2020

	<u>Sidewalk Improvement</u>	<u>2003-D Water and Sewer</u>	<u>2004-B Water and Sewer</u>	<u>2003-C Water and Sewer</u>	<u>2006 General Obligation</u>
Assets					
Cash and cash equivalents	\$ 241,882	\$ -	\$ -	\$ -	\$ -
Receivables	-	-	-	-	-
Land held for resale	-	-	-	-	1,150,450
Total assets	<u>\$ 241,882</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,150,450</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	<u>189</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>189</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted	-	-	-	-	1,150,450
Committed	<u>241,693</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>241,693</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,150,450</u>
Total liabilities and fund balances	<u>\$ 241,882</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,150,450</u>

2007 Water and Sewer DWRf	2008 Water and Sewer DWRf	2009 Water and Sewer DWRf	Factory Street Pump Station	Water Main Bond DWRf	2016 Water and Sewer Refunding	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ 824,706	\$ -	\$ 185	\$ 1,066,773
-	-	-	-	-	500	500
-	-	-	-	-	-	1,150,450
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 824,706</u>	<u>\$ -</u>	<u>\$ 685</u>	<u>\$ 2,217,723</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 685	\$ 685
-	-	-	-	-	-	189
-	-	-	-	-	685	874
-	-	-	824,706	-	-	1,975,156
-	-	-	-	-	-	241,693
-	-	-	824,706	-	-	2,216,849
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 824,706</u>	<u>\$ -</u>	<u>\$ 685</u>	<u>\$ 2,217,723</u>

CITY OF YPSILANTI, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Projects Funds

Fiscal Year Ended June 30, 2020

	Sidewalk Improvement	2003-D Water and Sewer	2004-B Water and Sewer	2003-C Water and Sewer	2006 General Obligation
Revenues					
Licenses and permits	\$ 64,889	\$ -	\$ -	\$ -	\$ -
Intergovernmental	50,000	335,750	387,872	50,313	-
Investment earnings	3,987	-	-	-	-
Other	9,004	-	-	-	-
Total revenues	<u>127,880</u>	<u>335,750</u>	<u>387,872</u>	<u>50,313</u>	<u>-</u>
Expenditures					
Current:					
Public works	149,263	-	-	-	-
Debt Service:					
Principal retirement	-	300,000	345,000	45,000	-
Interest and fiscal charges	-	35,750	42,872	5,313	-
Total expenditures	<u>149,263</u>	<u>335,750</u>	<u>387,872</u>	<u>50,313</u>	<u>-</u>
Net change in fund balances	(21,383)	-	-	-	-
Fund balance-beginning of year	<u>263,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,150,450</u>
Fund balance-end of year	<u>\$ 241,693</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,150,450</u>

2007 Water and Sewer DWRP	2008 Water and Sewer DWRP	2009 Water and Sewer DWRP	Factory Street Pump Station	Water Main Bond DWRP	2016 Water and Sewer Refunding	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,889
18,001	22,991	6,175	186,000	27,616	838,100	1,922,818
-	-	-	-	-	-	3,987
-	-	-	-	-	-	9,004
<u>18,001</u>	<u>22,991</u>	<u>6,175</u>	<u>186,000</u>	<u>27,616</u>	<u>838,100</u>	<u>2,000,698</u>
-	-	-	-	-	-	149,263
15,000	20,000	5,000	130,000	20,000	555,000	1,435,000
<u>3,001</u>	<u>2,991</u>	<u>1,175</u>	<u>56,000</u>	<u>7,616</u>	<u>283,100</u>	<u>437,818</u>
<u>18,001</u>	<u>22,991</u>	<u>6,175</u>	<u>186,000</u>	<u>27,616</u>	<u>838,100</u>	<u>2,022,081</u>
-	-	-	-	-	-	(21,383)
-	-	-	824,706	-	-	2,238,232
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 824,706</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,216,849</u>

CITY OF YPSILANTI, MICHIGAN
Combining Statement of Net Position
Internal Service Funds
June 30, 2020

	Motor Pool	Workers' Compensation	Retiree Health Care	Total Internal Service Funds
Assets				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 1,143,406	\$ 589,904	\$ 2,215,559	\$ 3,948,869
Receivables	2,896	5,000	5,842	13,738
Inventory	14,532	-	-	14,532
Prepaid items	-	-	72,865	72,865
Total current assets	<u>1,160,834</u>	<u>594,904</u>	<u>2,294,266</u>	<u>4,050,004</u>
Noncurrent assets:				
Depreciable capital assets, net	<u>1,547,872</u>	-	-	<u>1,547,872</u>
Total assets	<u>2,708,706</u>	<u>594,904</u>	<u>2,294,266</u>	<u>5,597,876</u>
Liabilities				
Current liabilities:				
Accounts payable	68,860	-	1,626	70,486
Accrued liabilities	4,918	-	-	4,918
Capital leases payable - current	23,943	-	-	23,943
Total liabilities	<u>97,721</u>	<u>-</u>	<u>1,626</u>	<u>99,347</u>
Net Position				
Net investment in capital assets	1,523,929	-	-	1,523,929
Unrestricted	<u>1,087,056</u>	<u>594,904</u>	<u>2,292,640</u>	<u>3,974,600</u>
Total net position	<u>\$ 2,610,985</u>	<u>\$ 594,904</u>	<u>\$ 2,292,640</u>	<u>\$ 5,498,529</u>

CITY OF YPSILANTI, MICHIGAN

Combining Statement of Revenues, Expenses and Change in Net Position

Internal Service Funds

Fiscal Year Ended June 30, 2020

	Motor Pool	Workers' Compensation	Retiree Health Care	Total Internal Service Funds
Operating Revenues:				
Charges for services	\$ 701,496	\$ 113,607	\$ 1,614,933	\$ 2,430,036
Operating Expenses:				
Salaries, taxes and benefits	193,629	-	-	193,629
Gas, oil and fuel	105,609	-	-	105,609
Depreciation	346,353	-	-	346,353
Operation and maintenance	64,327	-	-	64,327
Contractual services and fees	195,724	320	-	196,044
Insurance and other	77,490	-	-	77,490
Benefits and claims	-	124,760	1,365,141	1,489,901
Total operating expenses	<u>983,132</u>	<u>125,080</u>	<u>1,365,141</u>	<u>2,473,353</u>
Operating income (loss)	<u>(281,636)</u>	<u>(11,473)</u>	<u>249,792</u>	<u>(43,317)</u>
Nonoperating Revenues (Expenses):				
Investment income	23,722	8,917	31,884	64,523
Interest expense	<u>(1,388)</u>	<u>-</u>	<u>-</u>	<u>(1,388)</u>
Total nonoperating revenues (expenses)	<u>22,334</u>	<u>8,917</u>	<u>31,884</u>	<u>63,135</u>
Change in net position	(259,302)	(2,556)	281,676	19,818
Net position-beginning of year	<u>2,870,287</u>	<u>597,460</u>	<u>2,010,964</u>	<u>5,478,711</u>
Net position-end of year	<u>\$ 2,610,985</u>	<u>\$ 594,904</u>	<u>\$ 2,292,640</u>	<u>\$ 5,498,529</u>

CITY OF YPSILANTI, MICHIGAN
Combining Statement of Cash Flows
Internal Service Funds
Fiscal Year Ended June 30, 2020

	Motor Pool	Workers' Compensation	Retiree Health Care	Total Internal Service Funds
Cash Flows from Operating Activities				
Cash received from interfund charges	\$ 702,631	\$ 108,607	\$ 1,615,794	\$ 2,427,032
Cash payments for employee services and benefits	(192,592)	-	-	(192,592)
Cash payments for claims	-	(124,760)	(1,352,879)	(1,477,639)
Cash payments to suppliers for goods and services	(385,098)	(320)	-	(385,418)
Net cash flows from operating activities	<u>124,941</u>	<u>(16,473)</u>	<u>262,915</u>	<u>371,383</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition of capital assets	(619,065)	-	-	(619,065)
Principal paid on capital lease	(23,260)	-	-	(23,260)
Interest paid on capital lease	(1,388)	-	-	(1,388)
Net cash flows from capital and related financing activities	<u>(643,713)</u>	<u>-</u>	<u>-</u>	<u>(643,713)</u>
Cash Flows from Investing Activities				
Investment earnings	<u>23,722</u>	<u>8,917</u>	<u>31,884</u>	<u>64,523</u>
Net change in cash and cash equivalents	(495,050)	(7,556)	294,799	(207,807)
Cash and cash equivalents beginning of year	<u>1,638,456</u>	<u>597,460</u>	<u>1,920,760</u>	<u>4,156,676</u>
Cash and cash equivalents end of year	<u>\$ 1,143,406</u>	<u>\$ 589,904</u>	<u>\$ 2,215,559</u>	<u>\$ 3,948,869</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$ (281,636)	\$ (11,473)	\$ 249,792	\$ (43,317)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	346,353	-	-	346,353
Changes in assets and liabilities:				
Receivables	1,135	(5,000)	861	(3,004)
Inventory	(1,171)	-	-	(1,171)
Prepaid items	-	-	12,424	12,424
Accounts payable	59,223	-	(162)	59,061
Accrued liabilities	1,037	-	-	1,037
Net cash flows from operating activities	<u>\$ 124,941</u>	<u>\$ (16,473)</u>	<u>\$ 262,915</u>	<u>\$ 371,383</u>

CITY OF YPSILANTI, MICHIGAN
Statement of Changes in Assets and Liabilities
Current Tax Agency Fund
Fiscal Year Ended June 30, 2020

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Assets:				
Cash and cash equivalents	\$ <u>4,726</u>	\$ <u>90,052,365</u>	\$ <u>90,047,167</u>	\$ <u>9,924</u>
Liabilities:				
Undistributed monies	\$ <u>4,726</u>	\$ <u>90,052,365</u>	\$ <u>90,047,167</u>	\$ <u>9,924</u>

CITY OF YPSILANTI, MICHIGAN

Statement of Net Position and Governmental Fund Balance Sheet
 Downtown Development Authority Component Unit
 June 30, 2020

	General Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets					
Cash and cash equivalents	\$ 197,604	\$ -	\$ 197,604	\$ -	\$ 197,604
Receivables	6,668	-	6,668	-	6,668
Depreciable capital assets, net	-	-	-	1,313,430	1,313,430
Total assets	<u>\$ 204,272</u>	<u>\$ -</u>	<u>\$ 204,272</u>	<u>1,313,430</u>	<u>1,517,702</u>
Liabilities					
Accounts payable	\$ 5,397	\$ -	\$ 5,397	-	5,397
Accrued liabilities	1,007	-	1,007	1,414	2,421
Long-term liabilities:					
Due within one year	-	-	-	70,000	70,000
Due more than one year	-	-	-	235,000	235,000
Total liabilities	<u>6,404</u>	<u>-</u>	<u>6,404</u>	<u>306,414</u>	<u>312,818</u>
Fund Balance					
Unassigned	<u>197,868</u>	<u>-</u>	<u>197,868</u>		
Total liabilities and fund balance	<u>\$ 204,272</u>	<u>\$ -</u>	<u>\$ 204,272</u>		
Net Position					
Net investment in capital assets				1,008,430	1,008,430
Unrestricted				<u>196,454</u>	<u>196,454</u>
Total net position				<u>\$ 1,204,884</u>	<u>\$ 1,204,884</u>

CITY OF YPSILANTI, MICHIGAN

Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balances
Downtown Development Authority Component Unit
Fiscal Year Ended June 30, 2020

	General Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Expenditures / Expenses					
Community development	\$ 434,205	\$ -	\$ 434,205	\$ 60,121	\$ 494,326
Debt service:					
Principal	-	70,000	70,000	(70,000)	-
Interest and fiscal charges	-	16,970	16,970	(233)	16,737
Total expenditures / expenses	<u>434,205</u>	<u>86,970</u>	<u>521,175</u>	<u>(10,112)</u>	<u>511,063</u>
General Revenue					
Property taxes	440,914	-	440,914	(150,000)	290,914
Other revenue	23,859	-	23,859	150,000	173,859
Investment earnings	4,356	-	4,356	-	4,356
Total general revenue	<u>469,129</u>	<u>-</u>	<u>469,129</u>	<u>-</u>	<u>469,129</u>
General revenue over (under) expenditures / expenses	34,924	(86,970)	(52,046)	10,112	(41,934)
Other Financing Sources (Uses)					
Transfers in	-	86,970	86,970	(86,970)	-
Transfers out	(86,970)	-	(86,970)	86,970	-
Total other financing sources (uses)	<u>(86,970)</u>	<u>86,970</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(52,046)	-	(52,046)		
Fund balance-beginning of year	249,914	-	249,914		
Fund balance-end of year	<u>\$ 197,868</u>	<u>\$ -</u>	<u>\$ 197,868</u>		
Net change in net position				(41,934)	(41,934)
Net position-beginning of year				<u>1,246,818</u>	<u>1,246,818</u>
Net position-end of year				<u>\$ 1,204,884</u>	<u>\$ 1,204,884</u>

CITY OF YPSILANTI, MICHIGAN

Statement of Net Position and Governmental Fund Balance Sheet

Depot Town Downtown Development Authority Component Unit

June 30, 2020

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets			
Cash and cash equivalents	\$ 437,970	\$ -	\$ 437,970
Receivables	515	-	515
Depreciable capital assets, net	-	<u>228,350</u>	<u>228,350</u>
Total assets	<u>\$ 438,485</u>	<u>228,350</u>	<u>666,835</u>
Liabilities			
Accounts payable	<u>\$ 4,535</u>	-	<u>4,535</u>
Fund Balance			
Unassigned	<u>433,950</u>		
Tota liabilities and fund balance	<u>\$ 438,485</u>		
Net Position			
Investment in capital assets		228,350	228,350
Unrestricted		<u>433,950</u>	<u>433,950</u>
Total net position		<u>\$ 662,300</u>	<u>\$ 662,300</u>

CITY OF YPSILANTI, MICHIGAN

Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance
 Depot Town Downtown Development Authority Component Unit
 Fiscal Year Ended June 30, 2020

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<i>Expenditures / Expenses</i>			
Community development	\$ 117,807	\$ 17,442	\$ 135,249
General Revenue			
Property taxes	220,188	-	220,188
Other revenue	480	-	480
Investment earnings	<u>6,112</u>	-	<u>6,112</u>
Total general revenue	<u>226,780</u>	<u>-</u>	<u>226,780</u>
Net change in fund balances	108,973		
Fund balance-beginning of year	<u>324,977</u>		
Fund balance-end of year	<u>\$ 433,950</u>		
Net change in net position		91,531	91,531
Net position-beginning of year		<u>570,769</u>	<u>570,769</u>
Net position-end of year		<u>\$ 662,300</u>	<u>\$ 662,300</u>

CITY OF YPSILANTI, MICHIGAN

Statement of Net Position and Governmental Fund Balance Sheet

Economic Development Corporation Component Unit

June 30, 2020

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets			
Cash and cash equivalents	\$ 33,512	\$ -	\$ 33,512
Nondepreciable capital assets	-	<u>53,200</u>	<u>53,200</u>
Total assets	<u>\$ 33,512</u>	<u>53,200</u>	<u>86,712</u>
Fund Balance			
Unassigned	<u>33,512</u>		
Tota liabilities and fund balance	<u>\$ 33,512</u>		
Net Position			
Investment in capital assets		53,200	53,200
Unrestricted		<u>33,512</u>	<u>33,512</u>
Total net position		<u>\$ 86,712</u>	<u>\$ 86,712</u>

CITY OF YPSILANTI, MICHIGAN

Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance
 Economic Development Corporation Component Unit
 Fiscal Year Ended June 30, 2020

	General Fund	Adjustments	Statement of Activities
<i>Expenditures / Expenses</i>			
Community development	\$ 64	\$ -	\$ 64
General Revenue			
Investment earnings	530	-	530
Net change in fund balances	466		
Fund balance-beginning of year	33,046		
Fund balance-end of year	<u>\$ 33,512</u>		
Net change in net position		466	466
Net position-beginning of year		86,246	86,246
Net position-end of year		<u>\$ 86,712</u>	<u>\$ 86,712</u>

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STATISTICAL SECTION



CITY OF
YPSILANTI

Home of Eastern Michigan University

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Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends (Tables 1 thru 4) These schedules contain trend information to help the reader understand how the City's financial position has changed over time.	126
Revenue Capacity (Tables 5 thru 8) These schedules contain information to help the reader understand and assess the factors affecting the City's ability to generate its most significant local revenue source, the property tax.	130
Debt Capacity (Tables 9 thru 13) These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	134
Economic and Demographic Information (Tables 14 thru 15) These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	139
Operating Information (Tables 16 thru 19) These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	141

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

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

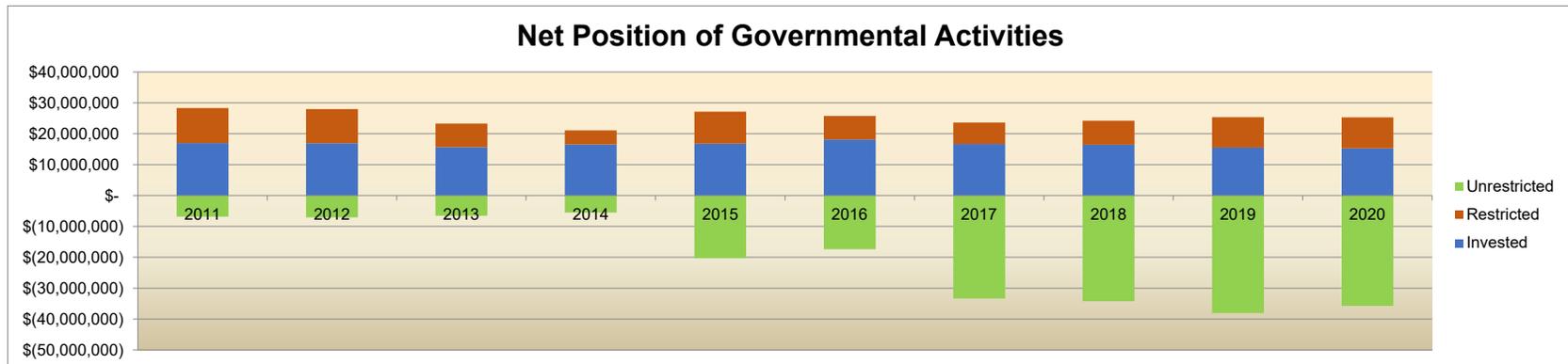
	2011	2012	2013	2014	2015 (1)	2016	2017 (2)	2018	2019 (3)	2020
Governmental Activities:										
Net Investment in Capital Assets	\$ 16,952,331	\$ 16,911,390	\$ 15,636,305	\$ 16,524,392	\$ 16,749,695	\$ 18,147,399	\$ 16,659,020	\$ 16,446,266	\$ 15,491,863	\$ 15,254,452
Restricted	11,357,896	11,083,068	7,631,866	4,545,511	10,414,995	7,598,773	6,954,062	7,737,133	9,863,406	10,035,651
Unrestricted (Deficit)	(6,850,753)	(7,091,726)	(6,545,637)	(5,533,659)	(20,315,186)	(17,387,277)	(33,336,312)	(34,226,541)	(38,059,316)	(35,745,875)
Total Governmental Activities Net Position	\$ 21,459,474	\$ 20,902,732	\$ 16,722,534	\$ 15,536,244	\$ 6,849,504	\$ 8,358,895	\$ (9,723,230)	\$ (10,043,142)	\$ (12,704,047)	\$ (10,455,772)

Source: City of Ypsilanti's financial statements

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

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

(3) Restricted net position was restated to correct the recognition of a reimbursable grant.



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

	2011	2012	2013	2014	2015	2016	2017	2018	2019 (1)	2020
Expenses										
General Government	\$ 3,326,238	\$ 2,866,101	\$ 2,083,855	\$ 1,690,255	\$ 2,894,307	\$ 4,294,933	\$ 3,084,786	\$ 3,556,035	\$ 4,177,241	\$ 2,770,051
Public Safety	8,257,558	8,601,201	7,908,177	8,878,722	9,667,739	10,198,973	8,961,050	9,749,189	11,316,595	9,780,593
Public Works and Refuse Collection	1,980,913	2,015,694	4,067,582	5,542,347	1,815,800	2,034,380	1,925,326	1,617,860	1,696,531	1,618,428
Highways, Streets and Bridges	1,192,916	2,823,389	3,921,320	3,143,348	3,732,864	3,049,680	3,825,640	3,598,015	3,091,800	2,945,099
Culture and Recreation	69,221	367,484	408,367	366,668	419,667	911,753	1,095,758	517,317	529,135	272,872
Community Development	189,050	184,244	292,867	255,416	361,966	404,780	454,835	624,746	453,202	594,942
Public Transportation	-	262,320	308,564	275,386	268,428	316,471	282,793	283,372	289,809	294,984
Interest and Fiscal Charges	2,481,838	2,329,834	2,095,288	2,103,523	1,858,619	1,654,899	1,218,241	831,258	850,057	654,247
Total Expenses	17,497,734	19,450,267	21,086,020	22,255,665	21,019,390	22,865,869	20,848,429	20,777,792	22,404,370	18,931,216
Program Revenues										
Charges for Services										
General Government	1,121,010	1,241,641	1,419,828	2,320,700	1,780,054	2,258,965	1,738,729	1,813,812	1,632,037	1,440,197
Public Safety	1,098,886	935,124	1,197,437	786,308	722,075	763,522	1,041,006	968,656	941,262	1,296,332
Public Works and Refuse Collections	-	-	-	-	-	-	-	83,269	82,525	92,877
Highways, Streets and Bridges	-	93,722	-	-	-	-	-	48,616	45,520	66,712
Culture and Recreation	-	-	-	-	-	-	-	2,125	1,125	2,000
Community Development	1,200	1,200	1,500	1,552	1,500	1,500	-	-	11,200	-
Operating Grants and Contributions	3,585,313	2,712,064	4,282,348	3,829,486	4,697,877	6,574,946	2,547,760	3,596,920	2,610,388	3,443,453
Capital Grants and Contributions	609,256	322,858	24,258	692,619	176,177	1,525,918	59,983	628,205	196,966	519,682
Total Program Revenues	6,415,665	5,306,609	6,925,371	7,630,665	7,377,683	11,124,851	5,387,478	7,141,603	5,521,023	6,861,253
Net (Expense)/Revenue	(11,082,069)	(14,143,658)	(14,160,649)	(14,625,000)	(13,641,707)	(11,741,018)	(15,460,951)	(13,636,189)	(16,883,347)	(12,069,963)
General Revenues										
Property Taxes	9,907,455	10,555,401	10,309,164	10,656,453	10,606,608	10,452,347	10,582,364	10,345,083	11,018,343	11,348,696
Unrestricted Grants and Contributions	2,670,643	2,256,140	2,342,612	2,420,667	2,483,001	2,555,299	3,033,942	2,755,507	2,693,174	2,621,332
Unrestricted Investment Earnings (Loss)	201,895	775,375	(13,260)	341,590	368,451	242,763	68,510	169,432	337,327	340,433
Other	-	-	-	-	-	-	-	46,255	173,598	7,777
Total General Revenues	12,779,993	13,586,916	12,638,516	13,418,710	13,458,060	13,250,409	13,684,816	13,316,277	14,222,442	14,318,238
Special Item										
Change in Fair Value of Land Held for Resale	-	-	(1,995,335)	-	-	-	(768,350)	-	-	-
Change in Net Position	\$ 1,697,924	\$ (556,742)	\$ (3,517,468)	\$ (1,206,290)	\$ (183,647)	\$ 1,509,391	\$ (2,544,485)	\$ (319,912)	\$ (2,660,905)	\$ 2,248,275

Source: City of Ypsilanti's financial statements

(1) - Operating grants and contributions were restated to correct the recognition of a reimbursable grant.

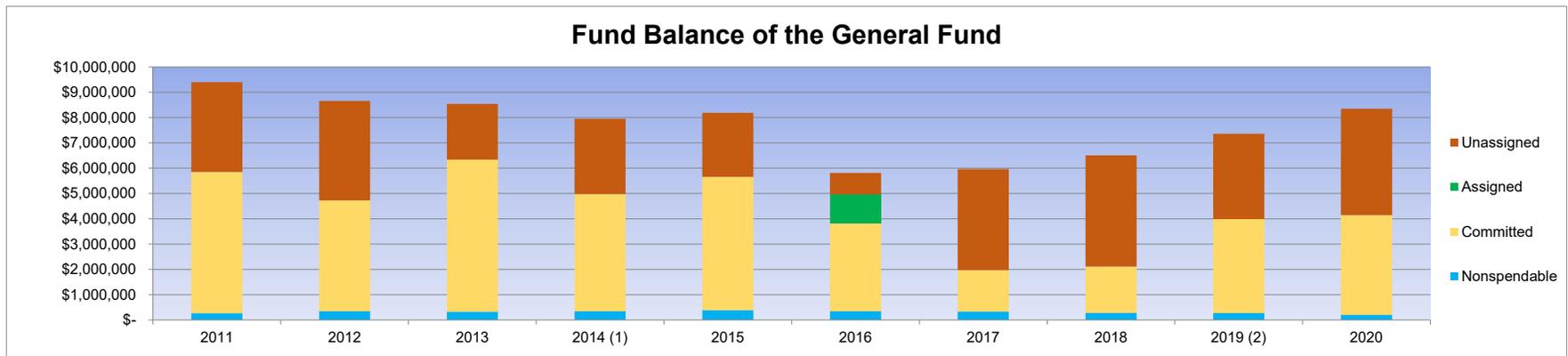
CITY OF YPSILANTI, MICHIGAN
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2011	2012	2013	2014 (1)	2015	2016	2017	2018	2019 (2)	2020
General Fund										
Nonspendable	\$ 269,199	\$ 344,707	\$ 329,819	\$ 348,324	\$ 393,356	\$ 343,892	\$ 336,731	\$ 281,801	\$ 273,809	\$ 199,312
Committed	5,579,241	4,378,434	6,008,192	4,631,779	5,260,352	3,485,701	1,632,133	1,828,128	3,714,499	3,945,778
Unassigned	3,545,913	3,936,006	2,201,556	2,968,262	2,530,473	852,096	3,996,055	4,397,639	3,370,652	4,205,335
Total General Fund	9,394,353	8,659,147	8,539,567	7,948,365	8,184,181	5,812,522	5,964,919	6,507,568	7,358,960	8,350,425
All Other Governmental Funds										
Nonspendable	4,763,817	4,763,817	2,768,482	1,900,300	1,934,877	2,019,100	-	1,131,950	-	-
Restricted	5,671,778	4,869,060	5,327,431	3,069,197	5,979,102	3,539,698	3,106,870	3,732,277	5,639,702	6,165,090
Committed	922,301	1,411,547	1,061,201	2,916,471	753,262	2,193,435	3,055,162	1,899,256	2,365,698	2,617,193
Unassigned	-	(23,938)	(168,166)	-	(34,577)	-	-	-	-	-
Total All Other Governmental Funds	11,357,896	11,020,486	8,988,948	7,885,968	8,632,664	7,752,233	6,162,032	6,763,483	8,005,400	8,782,283
Total Governmental Funds	\$ 20,752,249	\$ 19,679,633	\$ 17,528,515	\$ 15,834,333	\$ 16,816,845	\$ 13,564,755	\$ 12,126,951	\$ 13,271,051	\$ 15,364,360	\$ 17,132,708

Source: City of Ypsilanti's financial statements

(1) - A correction was made in All Other Governmental Funds to report an amount previously as unassigned to committed.

(2) - A correction was made in All Other Governmental Funds to correct the recognition of a reimbursable grant.



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

	2011	2012	2013	2014	2015	2016	2017	2018	2019 (1)	2020
Revenues										
Taxes and special assessments	\$ 9,907,455	\$ 10,555,401	\$ 10,309,164	\$ 10,656,453	\$ 10,606,608	\$ 10,452,347	\$ 10,582,364	\$ 10,345,083	\$ 11,018,343	\$ 11,348,696
Licenses and permits	666,586	734,250	748,417	648,881	867,227	822,818	880,933	1,061,002	1,071,663	947,988
Intergovernmental	8,369,061	6,678,576	7,112,100	6,851,138	9,076,428	9,002,708	8,232,651	8,099,175	8,175,615	8,660,108
Charges for services	542,669	448,341	733,730	417,906	475,814	471,898	635,838	483,949	563,582	972,785
Fines and forfeitures	597,265	516,393	499,099	414,468	315,907	356,170	446,318	484,649	542,875	454,089
Investment earnings	165,346	413,204	(33,737)	182,666	270,174	178,039	42,641	132,749	270,543	275,910
Donations and contributions	-	-	-	-	-	-	-	117,876	105,491	73,314
Other revenues	541,067	680,652	671,558	1,710,943	1,193,807	1,434,652	769,796	634,418	754,965	594,725
Total Revenues	20,789,449	20,026,817	20,040,331	20,882,455	22,805,965	22,718,632	21,590,541	21,358,901	22,503,077	23,327,615
Expenditures										
Current:										
General government	2,433,291	2,141,990	2,214,452	2,287,975	2,797,658	2,629,465	2,408,251	2,488,641	2,559,390	2,555,117
Public safety	8,326,438	8,093,201	7,264,800	7,806,628	8,048,474	7,954,140	7,853,131	8,500,480	8,303,137	9,256,206
Public works	848,754	788,210	2,085,725	3,597,878	902,141	1,193,485	997,658	783,880	741,524	893,767
Refuse collection	1,065,037	1,041,143	1,112,773	1,017,678	859,180	833,639	884,179	940,435	954,998	981,524
Highways, streets and bridges	1,592,516	1,740,226	1,806,267	1,476,912	2,318,364	2,523,389	2,229,228	1,450,475	1,338,469	1,829,896
Culture and recreation	348,756	300,134	284,251	1,136,746	309,980	2,174,842	1,048,105	413,267	758,355	1,061,290
Community development	498,817	75,033	92,208	32,448	55,522	46,002	-	-	-	-
Public transportation	218,000	262,183	308,175	274,846	267,238	315,229	282,327	283,544	287,313	294,896
Unallocated employee benefits	878,085	950,627	1,043,139	928,133	727,865	884,137	886,100	1,015,269	1,043,086	1,207,893
Tax tribunal refunds	-	397,353	13,735	12,712	260,020	49,000	(11,536)	(13,288)	71,746	(46,280)
Debt service:										
Principal retirement	2,970,000	3,175,000	3,340,000	3,535,000	3,665,000	5,985,000	4,270,000	3,545,000	3,425,000	2,685,000
Interest and fiscal charges	2,561,716	2,326,442	2,204,172	2,157,920	1,883,263	1,781,392	1,412,552	1,017,275	926,750	839,958
Bond issuance costs	-	-	-	-	-	209,618	153,418	-	-	-
Total Expenditures	21,741,410	21,291,542	21,769,697	24,264,876	22,094,705	26,579,338	22,413,413	20,424,978	20,409,768	21,559,267
<i>Excess/ (Deficiency) of Revenues Over/ (Under) Expenditures</i>	<i>(951,961)</i>	<i>(1,264,725)</i>	<i>(1,729,366)</i>	<i>(3,382,421)</i>	<i>711,260</i>	<i>(3,860,706)</i>	<i>(822,872)</i>	<i>933,923</i>	<i>2,093,309</i>	<i>1,768,348</i>
Other Financing Sources (Uses)										
Transfers in	1,639,043	2,122,966	6,759,280	4,928,666	2,140,163	4,614,790	1,610,549	1,442,333	1,323,410	1,224,141
Transfers out	(1,431,863)	(1,930,857)	(6,470,040)	(4,717,299)	(2,084,574)	(4,614,790)	(1,610,549)	(1,442,333)	(1,323,410)	(1,224,141)
Sale of assets	-	-	-	-	-	-	-	210,177	-	-
Issuance of debt	3,856,253	-	5,372,551	8,993,185	215,663	10,838,601	8,455,000	-	-	-
Bond premiums (discounts)	-	-	(83,208)	433,687	-	60,015	1,122,195	-	-	-
Payment to refunding escrow agent	(3,749,306)	-	(4,005,000)	(7,950,000)	-	(10,290,000)	(9,423,777)	-	-	-
Total Other Financing Sources (Uses)	314,127	192,109	1,573,583	1,688,239	271,252	608,616	153,418	210,177	-	-
Special Item - change in market value of land held for resale	-	-	(1,995,335)	-	-	-	(768,350)	-	-	-
Net Change in Fund Balances	\$ (637,834)	\$ (1,072,616)	\$ (2,151,118)	\$ (1,694,182)	\$ 982,512	\$ (3,252,090)	\$ (1,437,804)	\$ 1,144,100	\$ 2,093,309	\$ 1,768,348
<i>Debt Service as a percentage of non-capital expenditures</i>	<i>29.9%</i>	<i>27.7%</i>	<i>26.3%</i>	<i>25.4%</i>	<i>26.7%</i>	<i>33.4%</i>	<i>26.6%</i>	<i>22.5%</i>	<i>21.9%</i>	<i>17.2%</i>

Source: City of Ypsilanti's financial statements

(1) - Intergovernmental revenue was restated to correct the recognition of a reimbursable grant.

Table 5
Unaudited

CITY OF YPSILANTI, MICHIGAN
Assessed Value and Taxable Value of Real and Personal Property
Last Ten Fiscal Years

Tax Year	Fiscal Year Ended	Real Property (1)		Personal Property (1)		Total		Total Direct Tax Rate
		Taxable Value	(2) Assessed Value	Taxable Value	(2) Assessed Value	Taxable Value	(2) Assessed Value	
2019	2020	\$ 327,514,401	\$ 461,807,500	\$ 17,891,600	\$ 17,891,600	\$ 345,406,001	\$ 479,699,100	35.4130
2018	2019	300,675,193	387,161,686	16,829,624	16,829,624	317,504,817	403,991,310	34.1423
2017	2018	289,053,202	376,271,300	16,896,400	16,896,400	305,949,602	393,167,700	33.5261
2016	2017	281,935,196	343,372,917	15,501,500	15,501,500	297,436,696	358,874,417	35.0727
2015	2016	278,962,991	313,904,850	17,146,400	16,897,689	296,109,391	330,802,539	34.9012
2014	2015	275,672,619	295,131,668	16,460,800	16,460,800	292,133,419	311,592,468	35.7735
2013	2014	271,120,783	283,777,190	18,493,812	18,493,812	289,614,595	302,271,002	36.4947
2012	2013	273,316,097	283,284,181	17,413,000	17,413,000	290,729,097	300,697,181	35.2060
2011	2012	290,163,934	309,315,255	19,030,100	19,030,100	309,194,034	328,345,355	33.6731
2010	2011	308,955,109	332,212,495	21,038,100	21,038,100	329,993,209	353,250,595	31.5314

Source: City of Ypsilanti Assessing Division

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

(2) Estimated actual value equals the assessed value.

Table 6
Unaudited

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

Fiscal Year Ended	Ypsilanti City	Ypsilanti Public Schools	State Education Tax	Washtenaw	Washtenaw County	Washtenaw Community College	Ypsilanti District Library	Ann Arbor Area Transit Authority	Totals	
				Intermediate School District					Homestead	Non- Homestead
2020	35.4130	27.9712	6.0000	5.6625	7.2683	3.3538	1.8344	0.6880	70.1912	88.1912
2019	34.1423	27.9712	6.0000	5.3285	7.5911	3.3763	1.9338	0.6936	69.0368	87.0368
2018	33.5261	25.8579	6.0000	5.4109	6.2122	3.4267	2.7166	0.6860	65.9785	83.8364
2017	35.0727	25.9712	6.0000	5.4509	6.2432	3.4360	2.7660	0.6943	67.6631	85.6343
2016	34.9012	26.0000	6.0000	3.9745	6.3058	3.4576	2.7922	0.7000	66.1313	84.1313
2015	35.7735	25.0000	6.0000	3.9745	6.2838	3.4576	2.8110	0.7000	66.0040	84.0004
2014	36.4947	25.0000	6.0000	3.9745	5.7801	3.4576	2.8102	-	65.5171	83.5171
2013	35.2060	25.0000	6.0000	3.9745	5.7654	3.6376	2.7845	-	64.3680	82.3680
2012	33.6731	25.0000	6.0000	3.9745	5.7518	3.7176	2.7410	-	62.8580	80.8580
2011	31.5314	25.0000	6.0000	3.9745	5.7448	3.6856	2.1574	-	60.0937	78.0937

Components of City Millage Rate

Fiscal Year Ended	General Operating	Sanitation	Streets	Public Transport	Police and Fire Pension	Total
2020	18.0298	2.6362	2.0043	0.9277	11.8150	35.4130
2019	18.3137	2.6778	2.0613	0.9424	10.1471	34.1423
2018	18.7386	2.7400	2.7189	0.9643	8.3643	33.5261
2017	18.9069	2.7647	4.5866	0.9730	7.8415	35.0727
2016	19.0211	2.7814	4.5787	0.9789	7.5411	34.9012
2015	19.0211	2.7814	4.6772	0.9789	8.3149	35.7735
2014	19.0211	2.7814	4.7904	0.9789	8.9229	36.4947
2013	19.0211	2.7814	5.0243	0.9789	7.4003	35.2060
2012	19.0211	2.7814	4.5685	0.9789	6.3232	33.6731
2011	19.0211	2.7814	4.3933	-	5.3356	31.5314

Source: City of Ypsilanti Finance Department

Table 7
Unaudited

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

Taxpayer	Tax Year 2019			Tax Year 2010		
	Taxable Value	Rank	Percent of Total Taxable Value	Taxable Value	Rank	Percent of Total Taxable Value
DTE Electric Company	\$ 7,247	1	2.10%	\$ 5,073	2	1.54%
Arbor One LLC	5,650	2	1.64%			
LeForge Station II	5,157	3	1.49%	6,382	1	1.93%
River Drive Properties LLC	2,033	4	0.59%	2,051	6	0.62%
Forrest Knoll Apts	1,975	5	0.57%	1,691	10	0.51%
Ypsilanti Realty Holdings LLC	1,711	6	0.50%			
Erie Investments No. 15 LLC	1,639	7	0.47%			
Cross Street Village	1,638	8	0.47%			
FHMC Real Estate, LLC	1,622	9	0.47%	3,003	5	0.91%
Huron View Properties, LLC	1,594	10	0.46%	1,774	9	0.54%
Angstrom Capital				4,583	3	1.39%
University Housing				3,005	4	0.91%
Agree Limited Partnership				1,959	7	0.59%
Riverrain Apartments				1,849	8	0.56%
	<u>\$ 30,266</u>		<u>8.76%</u>	<u>\$ 31,370</u>		<u>9.08%</u>
Total Taxable Value	<u>\$ 345,406</u>			<u>\$ 329,993</u>		

Source: City of Ypsilanti Assessing Division

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

Fiscal Year Ended (1)	Taxes Levied For The Fiscal Year (2)	Collected Within The Fiscal Year of the Levy			Total Collections To Date		
		Amount	Percent of Levy	Delinquent Collections (3)	Amount	Percent of Levy	
2020	\$ 9,408,316	\$ 8,846,552	94.0%	\$ 561,765	\$ 9,408,317	100.0%	
2019	8,510,864	7,931,411	93.2%	556,266	8,487,677	99.7%	
2018	8,069,358	7,501,956	93.0%	567,402	8,069,358	100.0%	
2017	7,976,943	7,464,410	93.6%	512,533	7,976,943	100.0%	
2016	7,821,191	7,297,100	93.3%	524,091	7,821,191	100.0%	
2015	7,951,839	7,463,299	93.9%	426,318	7,889,617	99.2%	
2014	8,066,559	7,417,171	91.9%	589,092	8,006,263	99.3%	
2013	7,604,343	6,860,589	90.2%	708,138	7,568,727	99.5%	
2012	7,836,628	6,978,910	89.1%	726,765	7,705,675	98.3%	
2011	8,042,522	7,020,601	87.3%	899,747	7,920,348	98.5%	

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

(2) Includes Industrial Facility Tax.

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

Source: City of Ypsilanti Treasury Division

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

Fiscal Year	General Obligation Bonds	Revenue Bonds	Unamortized Premium	Other Obligations	Amounts Available in Debt Service Funds	Total Outstanding Debt	Total Taxable Value	Ratio of Total Debt To Taxable Value	Total Population	Total Debt Per Capita	Personal Income	Percent of Personal Income
2020	\$ 8,195,000	\$ 16,366,984	\$ 916,755	\$ 363,943	\$ (9,974)	\$ 25,832,708	\$ 345,406,001	7.48%	20,171	\$ 1,281	\$ 1,015,004	2.55%
2019	8,785,000	18,461,984	1,070,234	387,203	(8,502)	28,695,919	317,504,817	9.04%	20,995	1,367	1,016,745	2.82%
2018	10,180,000	20,491,984	1,223,713	409,798	(196,611)	32,108,884	305,949,602	10.49%	21,076	1,523	975,208	3.29%
2017	11,810,000	22,406,984	1,377,192	431,748	(190,375)	35,835,549	297,436,696	12.05%	21,018	1,705	955,982	3.75%
2016	14,160,000	25,491,984	399,767	453,072	(179,174)	40,325,649	296,109,391	13.62%	19,945	2,022	881,210	4.58%
2015	18,125,000	26,963,383	371,731	3,224,136	(150,642)	48,533,608	292,133,419	16.61%	20,081	2,417	882,098	5.50%
2014	19,925,000	28,612,720	402,709	3,090,350	(156,184)	51,874,595	289,614,595	17.91%	20,142	2,575	870,175	5.96%
2013	21,640,000	29,389,535	-	3,090,350	(1,788,071)	52,331,814	290,729,097	18.00%	19,621	2,667	800,948	6.53%
2012	23,080,000	29,921,984	-	3,090,350	(1,744,330)	54,348,004	309,194,034	17.58%	19,375	2,805	733,518	7.41%
2011	24,560,000	31,616,984	-	3,090,350	(1,766,812)	57,500,522	329,993,209	17.42%	19,435	2,959	735,790	7.81%

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

Table 10
Unaudited

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

Fiscal Year	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Net General Bonded Debt	Percent of Actual Taxable Value of Property	Per Capita
2020	\$ 8,195,000	\$ (9,974)	\$ 8,185,026	2.37%	\$ 406
2019	8,785,000	(8,502)	8,776,498	3.26%	474
2018	10,180,000	(196,611)	9,983,389	3.91%	553
2017	11,810,000	(190,375)	11,619,625	4.72%	701
2016	14,160,000	(179,174)	13,980,826	6.15%	895
2015	18,125,000	(150,642)	17,974,358	6.83%	981
2014	19,925,000	(156,184)	19,768,816	6.83%	1,012
2013	21,640,000	(1,788,071)	19,851,929	6.90%	1,101
2012	23,080,000	(1,744,330)	21,335,670	6.91%	1,173
2011	24,560,000	(1,766,812)	22,793,188	6.48%	1,251

CITY OF YPSILANTI, MICHIGAN
Computation of Net Direct and Overlapping Debt
June 30, 2020

	Gross Amount Outstanding	Self-Supporting or Paid by Benefited Government	Net Amount Outstanding
Direct debt			
General obligation bonds	\$ 8,195,000	\$ -	\$ 8,195,000
General obligation bonds - DDA	305,000	305,000	-
Revenue bonds and unamortized premiums (2)	17,283,739	17,283,739	-
Other obligations	363,943	-	363,943
Total direct debt	<u>\$ 26,147,682</u>	<u>\$ 17,588,739</u>	<u>\$ 8,558,943</u>
		Percentage Applicable to	Share Applicable to
	Net Debt Outstanding	City of Ypsilanti	City of Ypsilanti
Overlapping debt (1)			
Ypsilanti School District	\$ 94,297,207	26.24%	\$ 24,747,284
Washtenaw County	30,572,567	1.88%	574,764
Intermediate School District	44,570,000	1.90%	846,830
Washtenaw Community College	7,465,000	1.92%	143,328
	<u>\$ 176,904,774</u>		<u>26,312,206</u>
Total direct and overlapping debt			<u>\$ 34,871,149</u>

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

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

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

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

Legal debt margin calculation for 2020	
Assessed value (state equalized value)	<u>\$ 479,699,100</u>
Debt limit (10% of assessed value)	<u>\$ 47,969,910</u>
Net debt subject to limitation:	
General obligation bonds	8,195,000
Less: amounts available for repayment of general obligation bonds	<u>(9,974)</u>
	<u>8,185,026</u>
Legal debt margin	<u>\$ 39,784,884</u>

Fiscal Year	Debt Limit	Net Debt Applicable to Limit	Legal Debt Margin	Ratio
2020	\$ 47,969,910	\$ 8,185,026	\$ 39,784,884	17.06%
2019	40,399,131	8,776,498	31,622,633	21.72%
2018	35,887,442	11,619,625	24,267,817	32.38%
2017	33,080,254	13,503,640	19,576,614	40.82%
2016	31,159,247	17,796,936	13,362,311	57.12%
2015	30,227,100	17,948,086	12,279,014	59.38%
2014	30,069,718	19,851,929	10,217,789	66.02%
2013	32,834,536	21,335,670	11,498,866	64.98%
2012	35,325,060	22,793,188	12,531,872	64.52%
2011	41,109,672	24,017,058	17,092,614	58.42%

Source: City of Ypsilanti Finance Department

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

Fiscal Year Ended August 31,	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Total Debt Service Requirement (3)	Coverage
2019	\$ 40,805,221	\$ 31,849,174	\$ 8,956,047	\$ 6,916,928	129.5%
2018	43,994,684	29,758,749	14,235,935	6,496,119	219.1%
2017	42,326,307	32,898,538	9,427,769	6,923,769	136.2%
2016	39,405,150	32,304,067	7,101,083	6,431,896	110.4%
2015	36,497,656	29,589,319	6,908,337	7,925,358	87.2%
2014	35,000,803	27,676,654	7,324,149	5,544,573	132.1%
2013	34,042,779	27,922,287	6,120,492	5,844,681	104.7%
2012	34,764,666	27,565,394	7,199,272	4,509,206	159.7%
2011	33,586,953	26,167,217	7,419,736	5,683,760	130.5%
2010	31,115,683	25,491,690	5,623,993	6,002,290	93.7%

(1) Includes operating revenue, investment earnings, connect fees and debt service contributions.

(2) Excludes depreciation expense.

(3) Includes bonds and capital leases applicable to YCUA as a whole.

Source: Ypsilanti Community Utilities Authority (YCUA) comprehensive annual financial report. YCUA is on an August 31st fiscal year end; as such, the 2020 report is not yet available.

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

Fiscal Year	Population (1)	Total		School Enrollment (3)	Unemployment Rates (4)
		Personal Income (2) (in thousands)	Per Capita Personal Income (2)		
2020	20,171	\$ 1,015,004	\$ 50,320	3,656	7.6%
2019	20,995	1,016,745	48,428	3,840	4.4%
2018	21,076	975,208	46,271	3,905	5.3%
2017	21,018	955,982	45,484	3,730	4.9%
2016	19,945	881,210	44,182	4,324	5.3%
2015	20,081	882,098	43,927	4,361	6.6%
2014	20,142	870,175	43,202	4,148	6.3%
2013	19,621	800,948	40,821	4,525	7.6%
2012	19,375	733,518	37,859	3,678	6.2%
2011	19,435	735,790	37,859	3,175	9.6%

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

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

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

(3) Data from Ypsilanti Community Schools Administrative Office (2020 figure based on Fall 19-20 data only)

(4) Labor market information at Michigan.gov (for Ann Arbor, MI MSA).
(Unemployment spiked after March 2020 from 3.5% to 20.9% in April 2020, 19.7% in May 2020, and 15.4% in June 2020) (9 month average July 2019 - March 2020 = 3.9%)

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

Employer	2020			2011		
	Employees	Rank	% of Workforce	Employees	Rank	% of Workforce
Eastern Michigan University	2,187	1	8.13%	1,950	1	17.01%
Ypsilanti Community Schools	700	2	2.60%	514	2	4.48%
Washtenaw County	237	3	0.88%	297	3	2.59%
Chartwell's Higher Education	214	4	0.80%			
Michigan Department of Health and Human Services	183	5	0.68%			
Villa at Parkridge (Bortz Health Care)	125	6	0.46%	160	4	1.40%
Marsh Plating & Finishing Services	100	7	0.37%	50	7	0.44%
City of Ypsilanti	115	8	0.48%	91	5	0.79%
The Gilbert Residence	102	9	0.38%			
Ypsilanti Health Center	90	10	0.33%			
Forest Health Services				77	6	0.67%
Walgreens				31	8	0.27%
Fischer Honda				23	9	0.20%
Bird Brain				20	10	0.17%
	<u>4,053</u>		<u>15.08%</u>	<u>3,213</u>		<u>28.02%</u>

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

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

Function/Program	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Mayor and City Council	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>
Administrative services										
City Manager	1.85	1.85	1.85	2.60	2.60	2.60	1.60	1.60	2.00	2.00
Human Resources	1.55	1.55	1.55	1.30	1.30	1.00	1.00	1.00	2.00	2.00
Ordinance Enforcement	0.50	0.50	0.50	1.70	1.70	3.00	4.00	-	2.00	2.00
Building Inspection	3.58	3.35	3.25	2.20	2.20	-	-	4.00	4.50	4.50
Planning & Development	1.65	2.38	2.38	2.13	2.13	3.35	4.40	5.40	5.00	5.00
	<u>9.13</u>	<u>9.63</u>	<u>9.53</u>	<u>9.93</u>	<u>9.93</u>	<u>9.95</u>	<u>11.00</u>	<u>12.00</u>	<u>15.50</u>	<u>15.50</u>
Citizen services										
Voters Registration, school and county election	-	-	-	-	-	-	-	0.50	0.50	0.50
City Clerk	2.00	1.95	1.95	1.95	1.95	1.45	1.50	1.75	2.50	2.50
City Treasurer	1.34	1.34	1.34	1.34	1.68	1.50	1.00	2.00	1.50	0.50
	<u>3.34</u>	<u>3.29</u>	<u>3.29</u>	<u>3.29</u>	<u>3.63</u>	<u>2.95</u>	<u>2.50</u>	<u>4.25</u>	<u>4.50</u>	<u>3.50</u>
Administrative Hearing Bureau	<u>-</u>	<u>0.10</u>	<u>0.10</u>	<u>0.15</u>	<u>0.15</u>	<u>0.15</u>	<u>0.50</u>	<u>0.10</u>	<u>0.06</u>	<u>0.06</u>
Fire services										
Administration	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50	2.00	2.00
Suppression	19.00	18.50	16.00	16.00	16.00	19.00	18.00	15.00	14.00	18.00
	<u>20.00</u>	<u>19.50</u>	<u>17.00</u>	<u>17.00</u>	<u>17.00</u>	<u>20.00</u>	<u>19.00</u>	<u>16.50</u>	<u>16.00</u>	<u>20.00</u>
Fiscal services										
Finance - Accounting	3.03	3.03	3.03	3.03	3.03	3.00	4.00	4.00	5.73	6.50
Finance - Assessor	1.00	0.93	0.33	0.33	0.33	-	-	-	-	-
	<u>4.03</u>	<u>3.96</u>	<u>3.36</u>	<u>3.36</u>	<u>3.36</u>	<u>3.00</u>	<u>4.00</u>	<u>4.00</u>	<u>5.73</u>	<u>6.50</u>
Police services										
Administration	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.50	3.50
Field Services	28.00	28.00	24.00	28.26	29.26	29.95	27.00	25.00	27.00	30.00
COPS Grant	3.00	3.00	2.00	2.00	2.00	-	-	-	-	-
Parking Enforcement	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	2.00	2.00
LAWNET Grant	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-	-
School Liaison Contract	1.00	-	-	-	-	1.00	1.00	-	-	-
	<u>37.00</u>	<u>36.00</u>	<u>31.00</u>	<u>35.26</u>	<u>36.26</u>	<u>36.95</u>	<u>33.00</u>	<u>31.00</u>	<u>32.50</u>	<u>35.50</u>
Public services										
Parks, streets, building, parking lots, and garbage collection	17.00	17.00	17.00	17.00	16.00	16.00	17.00	17.27	16.00	20.00
Administration	3.88	3.88	3.81	3.88	3.88	4.00	4.00	4.00	4.00	4.00
	<u>20.88</u>	<u>20.88</u>	<u>20.81</u>	<u>20.88</u>	<u>19.88</u>	<u>20.00</u>	<u>21.00</u>	<u>21.27</u>	<u>20.00</u>	<u>24.00</u>
Total full-time employees	<u>94.38</u>	<u>93.36</u>	<u>85.09</u>	<u>89.87</u>	<u>90.21</u>	<u>93.00</u>	<u>91.00</u>	<u>89.12</u>	<u>94.29</u>	<u>105.06</u>
Total council and full-time employees	<u>101.38</u>	<u>100.36</u>	<u>92.09</u>	<u>96.87</u>	<u>97.21</u>	<u>100.00</u>	<u>98.00</u>	<u>96.12</u>	<u>101.29</u>	<u>112.06</u>

Source: City of Ypsilanti Finance Department

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

Function/Program	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police services										
Number of uniform crime reporting	1,936	2,983	2,913	3,179	2,301	2,101	2,317	2,186	1,308	1,268
Number of traffic violations	3,253	3,609	3,024	3,528	1,779	1,257	1,881	1,374	1,008	1,551
Number of arrests	1,738	1,715	1,698	1,939	712	1,253	1,048	764	679	809
Number of parking violations	9,880	10,593	9,223	2,975	6,382	9,730	13,422	12,865	12,319	9,058
Fire services										
Number of calls answered	564	600	639	690	545	712	2,300	2,437	2,291	2,037
Number of inspections conducted (1)	1,588	400	384	264	325	513	171	113	17	5
Public Services										
Miles of local streets maintained	32.44	32.44	32.44	32.44	32.44	32.44	32.44	32.33	32.20	32.30
Miles of major streets maintained	21.22	21.22	21.22	21.22	21.22	21.22	21.22	21.22	21.22	21.22
Public Utilities										
Miles of water mains	53.74	58.66	58.66	58.66	53.40	59.00	59.00	70.00	70.00	70.00
Number of fire hydrants	663	663	663	663	663	663	663	663	663	663

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

(1) - Decrease in inspections in fiscal year 2019 was due to staffing turnover. Decrease in fiscal year 2020 was related to the COVID-19 pandemic.

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

Function/Program	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police Services										
Police department building	1	1	1	1	1	1	1	1	1	1
Temporary detention cells	2	2	2	2	2	2	2	2	2	2
Vehicle patrol units:										
Police service automobiles	10	9	9	9	9	9	9	10	9	10
Unmarked police vehicles	7	7	7	7	7	8	8	7	7	7
Parking enforcement	2	2	2	2	2	2	2	2	1	2
Mobile command vehicle	1	1	1	1	1	1	1	1	1	1
Volunteer service vehicle	1	1	1	1	1	1	1	-	-	-
Fire Services										
Emergency services building	1	1	1	1	1	1	1	1	1	1
Vehicle units:										
Pumper truck	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	-	-	-	-	-	-	-	-	-	-
Jaws of life	1	1	1	1	1	1	1	1	1	1
Chief's City car	1	1	1	1	1	1	1	1	1	1
Pickup truck	1	2	2	2	2	2	2	2	2	2
Utility van	1	-	-	-	-	-	-	-	-	-
Administrative Services										
Crown Victoria - CH	1	1	1	-	-	-	-	-	-	-
Code Enforcement	-	-	-	-	-	-	-	-	-	2
Impala	1	1	1	1	1	1	1	1	1	1
Taurus - CM	1	1	1	1	1	1	1	1	1	1
Building enforcement vehicles	3	3	3	2	2	2	3	2	2	3
Public Services										
Passenger:										
Crown Victoria	3	2	2	1	-	-	-	-	-	-
Escape	1	1	1	1	1	1	1	1	1	1
Van	1	-	-	-	-	-	-	-	-	-
Van with Aerial Lift	1	1	1	-	-	-	-	-	-	-
Trucks:										
Pick-up	8	7	7	5	4	4	4	4	4	4
with Aerial Lift	3	1	1	2	1	1	1	1	1	1
Dump	10	11	11	9	7	7	6	7	7	7
with Grapple	1	1	1	1	1	1	1	1	1	1
Stake	6	6	6	3	3	3	4	3	3	3
with Aerial Lift	-	1	1	1	1	1	1	1	1	1
Recycle Truck	1	-	-	-	-	-	-	-	-	-
Packer Truck	4	4	4	3	3	3	4	3	3	3
Brush Chipper	1	1	1	1	1	1	1	1	1	1

continued...

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

Function/Program	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Services (continued)										
Tractors:										
with Front Loader	2	1	1	-	-	-	1	-	-	-
with Front Loader/Rear Plow	1	1	1	1	1	1	1	-	-	-
with Bucket & Backhoe	1	1	1	-	-	-	-	-	-	-
with Drawn Rake	1	1	1	-	-	-	-	-	-	-
with Salt Spreader & Snow Plow	1	1	1	1	1	1	1	-	-	-
Garden	9	7	7	6	3	3	4	3	3	3
Wide Area Mower	1	1	1	1	1	1		1	1	1
Loader with Bucket	3	3	3	2	2	2	1	1	1	1
Rear Loader	1	1	1	1	1	1	1	1	1	1
Wheel Loader	-	-	-	-	-	1	1	1	1	1
Equipment:										
Gas Tester	1	1	1	1	1	1		1	1	1
Arrowboard	2	2	2	2	2	2	2	2	2	2
Pump	2	2	2	2	2	2	1	2	2	2
Snow Blower	4	4	4	3	3	3	1	2	2	2
Traffic Counter	8	8	8	8	8	8	5	2	6	3
Star Drill	1	1	1	1	1	1	1	1	1	1
Trailer	4	4	4	4	4	4	4	4	4	4
Sign Driver	1	1	1	1	1	1	1	1	1	1
Auger	2	2	2	2	2	2	2	1	1	1
Street Sweeper	2	3	3	2	2	2	2	2	2	2
Compactor	1	1	1	1	1	1	1	1	1	1
Cement Mixer	1	1	1	1	1	1	1	1	1	1
Bituminous	1	1	1	1	1	1	-	1	-	1
Hyd. Sewer Cleaner	1	1	1	1	1	1	1	1	1	1
Compressor	-	-	-	2	2	1	1	1	2	2
Concrete Pavement Saw	2	2	2	2	2	2	2	2	2	2
Parking Lot Plow	-	-	-	2	2	2	2	2	2	2
Rear Plow	1	1	1	1	1	1	1	1	1	1
Dual Line Stripper	1	1	1	1	1	1	1	1	1	1
Leaf Blower	3	3	3	3	3	3	3	3	3	3
Weed Eater	11	11	11	11	11	12	12	12	11	11
Weed Eater (brush cutter)	-	1	1	1	1	1	1	1	2	2
Rotary Lawn Mower	2	2	2	1	1	1	1	1	1	1
Bush Hog	1	1	1	1	1	1	1	1	1	1
Generator	2	2	2	2	2	2	2	2	2	2
Compressor	2	2	2	1	-	1	1	1	3	3
Maint. Drawn Tracor Blade	1	1	1	1	1	1	1	1	1	-
Sod Cutter	1	1	1	1	1	1	-	1	-	-
Rotary Tiller	1	1	1	1	1	1	1	1	1	1
Chain Saw	12	12	12	12	12	12	12	12	12	12
Power Pruner	3	3	3	3	3	3	3	3	3	3
Stump Cutter	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-

continued...

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

Function/Program	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Services (continued)										
Equipment (continued):										
Pressure Washer	1	1	1	1	1	1	1	1	1	1
Portable Space Heater	1	1	1	1	1	1	1	1	1	1
Power MIG 255	1	1	1	1	1	1	1	1	1	1
Precision TIG 275	1	1	1	1	1	1	1	1	1	1
Row Boat	1	1	1	1	-	-	-	-	-	-
Sandblaster	1	1	1	1	1	1	1	1	1	1
Weed Eater/Hedge Trimmer	-	1	1	1	1	1	1	1	1	1
Edger/Trimmer/Weed Eater	-	-	-	1	1	1	1	1	1	1
Pallet Forks	-	-	-	-	-	1	1	1	1	1
Jackhammer	-	-	-	-	-	1	1	1	1	1
Backhoe	-	-	-	-	-	1	1	1	1	1
Stump Grinder	-	-	-	-	-	1	1	1	1	1
Snow Pusher Blade	-	-	-	-	-	1	1	1	1	1
Auger bit 24"	-	-	-	-	-	1	1	1	1	1
Auger bit 36"	-	-	-	-	-	1	1	1	1	1
Grader	-	-	-	-	-	1	1	1	1	1
Soil Conditioner	-	-	-	-	-	1	1	1	1	1
Brush Hog	-	-	-	-	-	1	1	1	1	1
Parks & Recreation:										
Parks:										
Active	8	8	8	8	8	8	8	8	8	8
Inactive	1	1	1	1	1	1	1	1	1	1
Tot Lots	3	3	3	3	3	3	3	3	3	3
Park Acreage:										
Active Parks	81	81	81	81	81	81	81	81	81	81
Inactive	2	2	2	2	2	2	2	2	2	2
Tot Lots	2	2	2	2	2	2	1	2	2	2
Picnic Areas	9	9	9	9	9	9	9	9	9	9
Buildings:										
Parkridge Community Center	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Concessions	1	1	1	-	-	-	-	-	-	-
Pavillions	9	9	9	9	9	9	9	9	9	9
Swimming Pool	1	1	1	1	1	1	1	1	1	1
Amphitheater	1	1	1	1	1	1	1	1	1	1
Multiuse Trail	1	1	1	1	1	1	1	1	1	1
Park and Play Area Acreage										
Candy Cane Park	7	7	7	7	7	7	7	7	7	7
Carrie Mattingly Tot Lot	1	1	1	1	1	1	1	1	1	1
Charles Street Tot Lot	-	-	-	-	-	-	0.2	0.2	0.2	0.2
Edith Hefley Park	1	1	1	1	1	1	1	1	1	1
Frog Island Park	7	7	7	7	7	7	7	7	7	7

continued...

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

Function/Program	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Park and Play Area Acreage (continued)										
Parkridge Park Community Center	8	8	8	8	8	8	8	8	8	8
Peninsular Park	5	5	5	5	5	5	5	5	5	5
Prospect Park	10	10	10	10	10	10	10	10	10	10
Recreation Park/Pool/Senior Center	17	17	17	17	17	17	17	17	17	17
Riverside Park	14	14	14	14	14	14	14	14	14	14
Waterworks Park	13	13	13	13	13	13	13	13	13	13
Picnic										
Candy Cane Park	1	1	1	1	1	1	1	1	1	1
Edith Hefley Park	1	-	-	-	-	-	-	-	-	-
Frog Island Park	1	-	-	-	-	-	-	-	-	-
Parkridge Community Center	1	1	1	1	1	1	1	1	1	1
Peninsular Park	1	1	1	1	1	1	1	1	1	1
Prospect Park	2	2	2	2	2	2	2	2	2	2
Recreation Park/Pool/Senior Center	1	1	1	1	1	1	1	1	1	1
Riverside Park	1	1	1	1	1	1	1	1	1	1
Waterworks Park	1	1	1	1	1	1	1	1	1	1
Pavilions										
Recreation Park/Pool/Senior Center	1	1	1	1	1	1	1	1	1	1
Candy Cane Park	1	1	1	1	1	1	1	1	1	1
Prospect Park	2	2	2	2	2	2	2	2	2	2
Waterworks Park	1	1	1	1	1	1	1	1	1	1
Parkridge Park Community Center	1	1	1	1	1	1	1	1	1	1
Riverside Park	2	2	2	2	2	1	1	1	1	1
Peninsular Park	1	1	1	1	1	1	1	1	1	1
City Attractions										
Eastern Michigan Campus	1	1	1	1	1	1	1	1	1	1
Farmer's Market / Freighthouse	1	1	1	1	1	1	1	1	1	1
Michigan Firehouse Museum	1	1	1	1	1	1	1	1	1	1
Riverside Arts Center	1	1	1	1	1	1	1	1	1	1
RM Classic Cars US Headquarters	1	-	-	-	-	-	-	-	-	-
Ypsilanti Automotive Heritage										
Collection	1	1	1	1	1	1	1	1	1	1
Ypsilanti District Library	1	1	1	1	1	1	1	1	1	1
Ypsilanti Historical Museum	1	1	1	1	1	1	1	1	1	1
Ypsilanti Water Tower	1	1	1	1	1	1	1	1	1	1
Ypsilanti West Commerce Park	1	1	1	1	1	1	1	1	1	1

Source: City of Ypsilanti Finance Department

CITY OF YPSILANTI, MICHIGAN
Schedule of Insurance
As of June 30, 2020

Type of Coverage	Name of Company	Policy Period	Premium	Description
Michigan Municipal League Liability and Property Pool		8/01/19 - 8/01/20	\$ 232,539	Covers general liability, police professional liability and public officials errors & omissions. Limit of liability \$2,000,000.
Michigan Municipal League Liability and Property Pool		8/01/19 - 8/01/20	72,209	Covers automobiles.
Michigan Municipal League Liability and Property Pool		8/01/19 - 8/01/20	34,906	Covers buildings, attached property, and equipment.
Meadowbrook Insurance Group		8/30/19 - 8/30/20	2,586	Covers commercial storage tank.
Blue Cross - Blue Shield, EHIM, Sun Life, Dearborn National, MECA, Guardian, UNUM, HEALTH EQUITY		7/01/19 - 6/30/20	2,784,589	Employee and retiree benefits: health, dental, prescription, life, vision and long-term disability.
MML Liability & Property Pool		7/01/19 - 7/01/20	153,792	Workers compensation and employees liability excess insurance policy for self insured combined specific and aggregate agreement. Part one - employer liability \$1,000,000, part two - workers compensation limit \$5,000,000, part two - employer liability \$1,000,000.

Source: City of Ypsilanti Finance Department.

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