

# CITY OF YPSILANTI

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2022



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City of Ypsilanti,  
Michigan



Year Ended  
June 30, 2022

Annual  
Comprehensive  
Financial Report

Prepared by: The City Finance Department  
Rheagan Basabica, Director of Finance

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# CITY OF YPSILANTI, MICHIGAN

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## **INTRODUCTORY SECTION**

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December 22, 2022

**Honorable Mayor, Members of the City Council and  
Citizens of the City of Ypsilanti, Michigan**

It is my pleasure to submit to you and the citizens of Ypsilanti, the Annual Comprehensive Financial Report of the City of Ypsilanti, Michigan for the fiscal year ending June 30, 2022. The Annual Report 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.

The annual audit of the City's financial statements was conducted by Rehmann Robson LLC, an independent firm of licensed certified public accountants. Rehmann Robson has issued an unmodified ("clean") opinion on the City's financial statements for the year ended June 30, 2022. The Independent Auditors' Report is located at the front of the financial section of this report. The Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditors' Report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making those representations, management of the City has established a comprehensive internal control framework designed to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

## Profile of the Government

The City, incorporated in 1858, is located in the southeast region of Michigan's lower peninsula in Washtenaw County, approximately 30 miles west of Detroit. 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. The City has the second largest continuous historic district in the State of Michigan. Fiscal year 2022 is an important milestone as the City will observe our Bicentennial and celebrate with the opening of a time capsule and other festivities organized by the Bicentennial Commission.

The City is a stable community with many assets – quality residential neighborhoods, good schools, beautiful view of the Huron River, historic downtown and residential neighborhoods, and convenient access to I-94 and Detroit Metropolitan Airport. Annual events and festivals and the presence of Eastern Michigan University, all contribute to the City's "small town" sense of community. Arts and cultural tourism continue to be a significant driver economically as we have fostered a creative environment and reduced barriers to community programming with our community events policy at the Freighthouse and City parks system. Several new murals were unveiled by community artists and celebrated by visitors and residents alike, including MJ's Mushrooms, Embracing our Differences, and the Multilingual Welcome to Ypsilanti billboard completed by YCS students. One of the new partnerships we look forward to is with the University Musical Society to provide national acts and performances at the Ypsilanti Freighthouse in 2023.

The City operates under the provisions of Public 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 City Council. The City Manager is the chief executive officer and oversees the administrative operations, administers the budget, implements policies, and advises.

The 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 the City Council may authorize transfers between funds. Department Heads may transfer funds between accounts within a specific program under their direction with the exception of personnel and capital expenditures, which must be approved by the City Manager.

The City has a population of 20,648, according to the 2020 US Census. This is an increase from the census of 2010, which showed a population of 19,569. The City's state equalized value for tax year 2022 is \$515,952,190. The City's total equalized value of taxable property for tax year 2022 is \$382,521,152, an increase of approximately \$25 million, or 7% 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 57%. Additionally, the Ann Arbor-Ypsilanti SmartZone invests approximately \$450,000 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.

Ypsilanti's cultural offerings are rich and varied. A wide variety of museums, galleries, arts events, and musical attractions grace the city. Fiscal year 2021-2022 saw the return of many festivals and annual events, including the Michigan Brewers Guild Summer Festival, Ypsi Glow, the Orphan Car Show, the 4th of July Parade, and Depot Town Cruise Nights for the first time since the pandemic began. The DDA Summer Movie Series continues to grow in attendance and enthusiasm as we introduce new complementary features like a golden ticket competition to support local businesses over six events between May-November. New programs have been developed to engage EMU students and faculty returning to campus for the first time following the pandemic drawing over 400 students to local businesses on West Cross this summer with a token program. The John Lawrence Summer Jazz Festival may have moved to Ypsilanti Township over the summer; however, it took little time for a new Jazz Festival to spring up and draw huge crowds to Frog Island Park, along with after-party shows at featured local businesses.

To further support local businesses, the Ypsilanti Downtown Development Association (YDDA) administered over \$50,000 in DDA TIF Grants to support building façade and rehabilitation grants and event programming over the last two years. Including event sponsorship to organizations that brought thousands of visitors to Ypsilanti, including Juneteenth, First Fridays, the Big Little Fair, our Holiday Storefront Competition, and Beautifypsi. The DDA additionally approved \$100,000 to support new solar rebate grants at ten businesses in Downtown Ypsilanti, significantly increasing our watts produced per capita and bringing solar to commercial buildings where adoption has dramatically lagged residential buildings. These commercial grant funds are complementary to an \$80,000 fund provided by the Grace Sweeney Inheritance, which provides \$2,000 rebates to residential property owners for new solar installations. The sale of Riverside Arts Center was completed, and the Downtown bond was paid off early with the proceeds, significantly boosting the annual TIF revenue available to support new initiatives in the Downtown district. Some of these proceeds were explicitly allocated for new public murals on our dumpster enclosures, support for the daytime warming Center at the Ypsilanti Freighthouse, and an Equity Needs Assessment and Revolving Loan Fund.

Fiscal year 2022 has been a turbulent year for business retention throughout the City. Several beloved and historic businesses have succumbed to the long-term effects of the COVID-19 pandemic and closed their doors over the past year, including Haabs, Kluck's, Vegano Italiano, Tower Inn (previously Hamburger Mary's), Red Rock, Lot G, Materials Unlimited, and Gentle Vibes Vintage Store. Business retention remains a top priority, especially for the new businesses that have taken up vacant storefronts including the Ypsi Cocktail Club, C King and Co, Dos Hermanos Café, The Conjure Goddess, Bon Appetit, Depot Town Thrift Shop, Shrimp Flavours, HK China, Lucky Haskins Antique and Retro, and Bridge Community Café. The DDA continues to aggressively pursue resources from the Michigan Economic Development Corporation (MEDC) under the Match on Main grant program to help support businesses like Bellflower and Earthen Jar, who successfully received \$25,000 each for activating vacant or underutilized storefronts.

The City 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 YDDA, 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 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. The city is working with to develop 46 units of housing on the 220 N. Park St for affordable and attainable housing. Additionally, the city is working with the State of Michigan through the office of the State Senator and the Michigan Economic Development Corporation to secure funding for Water Street.

## Community Highlights

The City 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 the YDDA and Ypsilanti Community Utilities Authority (YCUA).

Parks are an essential asset in the City of Ypsilanti. The City is responsible for maintaining a border-to-border trail that runs along the Huron River and several parks and tot lots throughout 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, neighborhoods, churches, schools, and other organizations assist in providing numerous community events, gardens, park improvement projects, and recreation programming.

In October 2021, The City of Ypsilanti and the Shelter Association of Washtenaw County entered an MOU that provides for staffing a warming center between November 2021 and March 2022. This historic agreement was incredibly successful. On average, we saw about thirty people per day during the coldest weeks and months of the winter as the Freighthouse transformed into a safe space for those most vulnerable in our community. The primary operation of the Ypsilanti Freighthouse as a private event space continues to generate significant revenues and year-over-year growth. During fiscal year 2022, we brought in just over \$124,000, which is near twice the revenues we collected in the prior year and could be used to help further support parks and recreation, community, and mental health or support the overall City budget. These additional resources have allowed the City to greatly expanded the number of community events by hosting holiday markets, blood drives, free concerts, and much more. The City has lowered the fees for residents to make the space a community asset that can be shared locally as envisioned while earning the “Best of Washtenaw County” accolades for wedding venues as voted by the readers of Current Magazine.

Senior Center - Staff continue 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 Outlook and the internet to conduct business.

Parkridge Community Center - Several meetings were held to determine the best use of limited Community Development Block Grant funding culminating in support for repairing the bathrooms at Parkridge Park. Several significant capital improvements to Parkridge Community Center, including new floors, indoor painting, ceiling tiles, furniture, and technology upgrades. Recently, the Ann Arbor Community Foundation has approved a two-year grant totaling \$40,000 to support a new initiative to provide STEM Education and game-based coding instruction to high school-aged men at Parkridge Community Center.

Rutherford Pool - The Rutherford Pool was open to the public in fiscal year 2022 and saw record-breaking turnout and massive demand from the community. The remaining funds provided by a Michigan Department of Natural Resources Trust Fund Grant of \$300,000 was distributed, and the grant was closed out.

## **Grants**

*Recycling and Infrastructure Grant* - The City was awarded a Recycling and Infrastructure grant from the State of Michigan in 2021 to purchase and distribute large recycling carts for residential curbside recycling. The City was also awarded a recycling education grant from The Recycling Partnership. These programs will be executed in early 2023.

*Frog Island Park* - The City was awarded a \$300,000 grant from the State of Michigan for accessibility improvements at the north end of Frog Island Park. This work will include stormwater improvements as well as improvements to the access of the park facilities.

## **Major Initiatives**

*Forest Street Bridge Rehabilitation Project* - 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 to perform the necessary repairs to the bridge in order to 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 project this project will be initiated and completed in the 2023 construction season.

*Huron River Drive Reconstruction* - The City will reconstruct Huron River Drive from Cornell Rd to LeForge Rd in 2023. This \$3.8m project will include replacing storm sewers, installing a sidewalk along the northern side of the road, and intersection improvements for pedestrian safety. It is funded through a combination of local funds, Transportation Alternatives Program funding, STP-U funds, and HIPU funds.

*206-210 N Washington Sale* - 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 and they are currently in the due diligence planning stages of this important redevelopment.

*220 N. Park* - On October 5, 2021, City Council approved an options agreement with Renovare Development. A groundbreaking was scheduled for November 28, 2022. Construction is hoping to wrap-up within two years.

*Policing Department Initiatives* - The City has continued to struggle with the hiring and retention of police officers for several years. To counteract this issue, the department has created a unit specializing in recruiting efforts at colleges, universities, and police academies throughout the state. The team is comprised of a Sergeant and two patrol officers, all of whom have received specialized training in this area of expertise. It is anticipated that this unit will increase applicants for open police officer positions and help stabilize our personnel in the future. This increase in personnel will provide the police department with more resources to better serve the community's needs.

*Parking Strategy Implementation* - Parking enforcement and hourly payment requirements resumed in 2021-2022, using multispacer meters in Depot Town and Passport mobile payments throughout the City. Three downtown parking lots were retimed, and signage was improved throughout the system. Throughout the year, parking worked with businesses to continue convenient short-term parking spaces geared toward carry-out and pick-up trade, both for restaurants and retail uses, enabling safety-conscious customers to patronize the City's local businesses.

*Peninsular Dam Removal* - With the help of Huron Watershed Council and the Michigan Department of Natural Resources Fisheries Habitat Grant program. The City held three public engagement workshops with specific constituent groups to ensure the engagement process includes stakeholders from within and beyond the City borders. Limno Tech completed the sediment studies at the Peninsular Dam site. Our Town Hall was on April 27, 2022, at the Ypsilanti Freighthouse.

*IT Migration* - Staff successfully completed the process of migration from Washtenaw County IT to Dewpoint. The change has provided important upgrades to our IT infrastructure and allows us to plan for capital improvements that will be needed over the next 5-10 years. The improved service and reliability of the Dewpoint team helps enable the Police Department, Fire Department, Department of Public Services, and City Hall to be more effective. The City is working to provide the same high quality level of internet service at the Freighthouse.

*Master Plan* - Staff has completed the Master Plan Update and the City Council has approved the update along with a Sustainability Plan. Several community meetings were held to gather input and the final product is available on the City website for review and reference over the next several years.

### **Process Improvements**

*Marijuana* - The City has issued permits for recreational marijuana with expanded uses such as micro-businesses, designated consumption facilities. Staff continues to work towards making the cities marijuana ordinances to reflect council and the Planning Commission's needs.

*Public Participation Plan* - The process was to improve public engagement for development projects and was integrated within the trigger of the Community Benefits Ordinance for two developments within Ypsilanti. The Communications Manager plays a significant role in the City in the early stages of refining its outreach to the public.

### **Infrastructure Improvements**

*Ramp Program* - The City annually completes approximately \$100,000 in sidewalk ramp improvements converting non-ADA compliant ramps into compliant sidewalk ramps. During fiscal year 2022, the City improved ramps in areas near the Eastern Michigan University campus and the northeast of the City.

*I-94 Bridge and Road Diet* - The City of Ypsilanti is working with the Michigan Department of Transportation, the Charter Township of Ypsilanti, Washtenaw County Parks and Recreation, and more 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 under construction, with the majority of the ramp work planned for completion in calendar year 2022. This project is coordinated with the planned addition of bike lanes and improved pedestrian crossings on Washtenaw, 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. These projects will be preceded by the Ypsilanti Community Utilities Authority's water service line and main replacement project within that same project area. Water line replacement is complete is South Huron and South Hamilton, and progressing on Washtenaw, North Huron, and North Hamilton. Water line and service replacement along Michigan Avenue (Huron to Ballard) will proceed in 2023.

## **Intergovernmental Agreements**

- Intergovernmental agreement approved between the City and DDA for reducing the TIF capture from 35% to 20% and the elimination of the DDA Officer position.
- Two-year extension of City/YDDA Staffing Agreement - The YDDA and City reached agreement on a two-year contract extension to support staffing with the Community and Economic Development Department. This ensures the continuity, leadership, and coordination necessary for the YDDA and City to work in concert.
- Recycle Ann Arbor - The City of Ypsilanti continues to work with Recycle Ann Arbor to provide recycling drop-off services to City residents. As a part of this contract, City residents are provided with a pass where they can get free entrance to the Recycle Ann Arbor to drop-off facility in Pittsfield Township.

## **Human Resources**

The Human Resources Department has been improving its retention of employees for the City of Ypsilanti. Although our number of police officers is down currently, we are actively recruiting and partnering with universities to fill the vacancies and engage new candidates. Our payroll systems have been upgraded, allowing employees to view paystubs online. We have ratified the Technical, Professional, and Officeworkers Association (TPOAM) and International Association of Fire Fighters (IAFF) collective bargaining unit contracts. For safety measures, we established a lockdown procedure for City Hall should any unsafe or harmful circumstances arise. Also, 89% of employees are fully vaccinated for COVID-19.

## **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 103 full-time equivalent (FTE) and 19 part-time positions. In fiscal year ending 2022, there were 119 retirees. Personnel costs comprise a significant total of General Fund expenses, including pension and other postemployment benefits (OPEB).

For fiscal year 2022, the City's general fund had a surplus of approximately \$589,000 increasing our fund balance to approximately \$10.0 million with an unassigned fund balance of approximately \$5.6 million. The unassigned fund balance is above the recommended minimum of ten percent of annual expenditures which is at average \$1.6 million for the City.

The City received the American Rescue Plan Act (ARPA) Coronavirus Local Fiscal Recovery Fund grant from the Federal Government of \$2.1 million. The funds were approved to be used to support the operations of the City for FY 2022-2023 and 2023-2024.

The City experienced an overall decrease in healthcare costs due to two main factors (1) there was a decrease in healthcare premium per employee cost and, (2) vacant positions during the year reduced personnel costs across the board. The City complies with the PA 152 Publicly Funded Health Insurance Contribution Act and council approved for fiscal year 2022 to charge employees 15% of the Illustrative Rates which are based on active rates only and does not blend retiree rates. City administration believes that this rate is most beneficial for city employees and would help with employee retention. The collective bargaining agreements for all four of the City's unions expired at the end of FY 2022. City administration is currently negotiating contracts with these unions with the intention to collaborate and use the mutual gains approach.

One of the City's goals is to ensure that the City's pension fund will have enough money to cover the employees' pension in the future. MERS general employee pension system is stable and overfunded by 131.3%. Police and Fire Pension System is at 48.6% funded as compared to 61.6% in the previous year due to investment losses. The City is committed to contributing the Annual Required Contribution for these systems and the City will continue to monitor and will make necessary adjustments if needed.

### **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. 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 Bonnie Wessler, Community Development and DDA Executive Director Christopher Jacobs, and Communications Manager Thomas Koch.

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,

Frances McMullan, City Manager

[Signature omitted for security purposes]



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

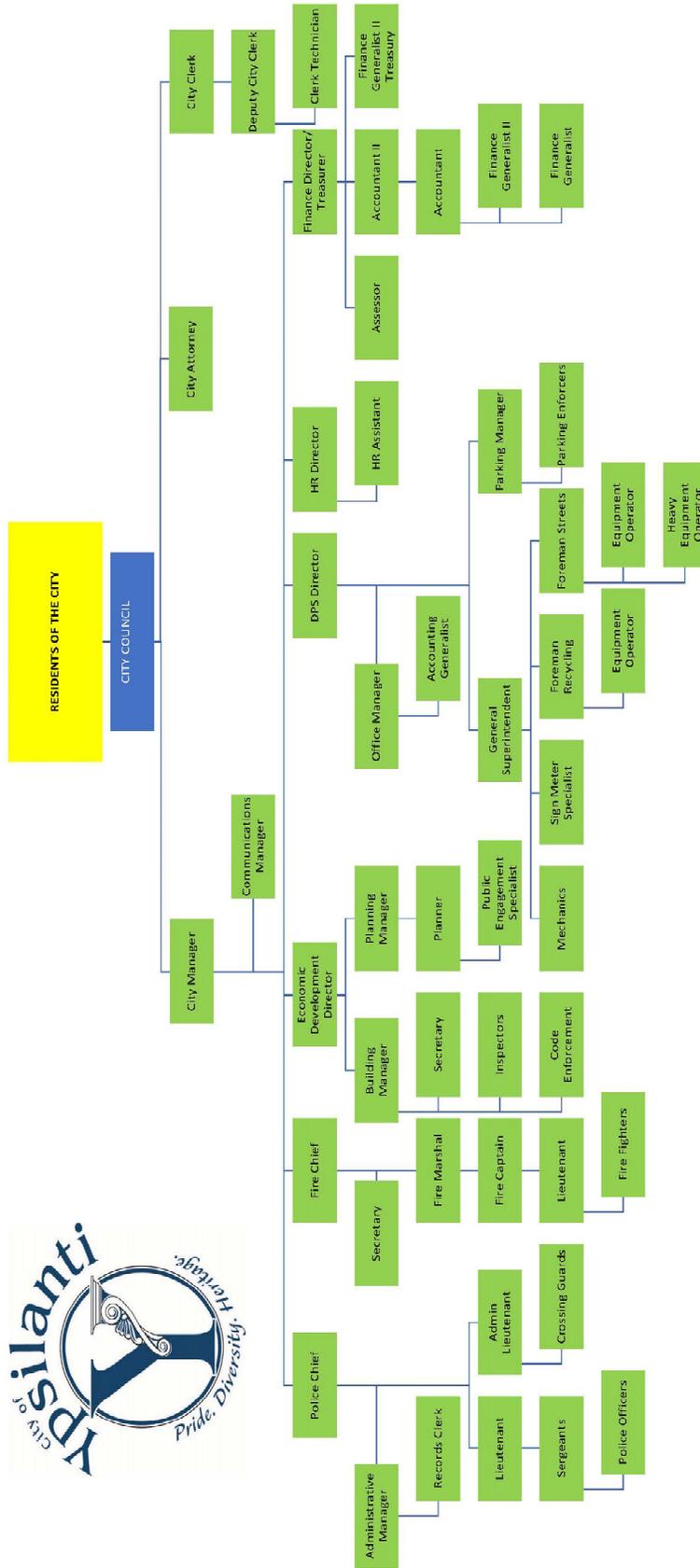
**City of Ypsilanti  
Michigan**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO



**City of Ypsilanti, Michigan**  
**List of Elected and Appointed Officials**



**CITY COUNCIL**

Nicole Brown, Mayor  
Steve Wilcoxon, Mayor Pro-Tem, Ward 2

Me'Chelle King	Ward 1
Roland Tooson	Ward 1
Jennifer Symanns	Ward 2
Desirae Simmons	Ward 3
Annie Somerville	Ward 3

**CITY OFFICIALS**

Frances McMullan, City Manager

Rheagan Basabica	Finance Director & City Treasurer
John Barr	City Attorney
Bonnie Wessler	Public Services Director
Ken Hobbs	Fire Chief
Brent Yuchasz	Police Chief
Joseph Meyers	Economic Development Director
Andrew Hellenga	City Clerk
Courtney Borden	City Assessor

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

December 22, 2022

The Honorable Mayor and City Commission  
City of Ypsilanti, Michigan

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparisons for the general fund and the major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Independent Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***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, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

### ***Other Information***

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

A handwritten signature in black ink that reads "Lehmann Johnson LLC". The signature is written in a cursive, flowing style.

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# CITY OF YPSILANTI, MICHIGAN

## Management's Discussion and Analysis

As management of the *City of Ypsilanti, Michigan* (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

### Financial Highlights

• Total net position	\$ (176,875)
• Change in total net position	9,359,611
• Fund balances, governmental funds	20,231,857
• Change in fund balances, governmental funds	1,307,955
• Unassigned fund balance, general fund	5,643,763
• Change in fund balance, general fund	589,066
• Installment debt outstanding	19,266,984
• Change in installment debt	(2,855,000)

### 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 a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflow of resources with the difference 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 that shows how the government'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., 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 legislative, general government, public safety, public works, public transportation, highways, streets, and bridges, culture and recreation, and community development. There were no business-type activities during the fiscal year.

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

## CITY OF YPSILANTI, MICHIGAN

### Management's Discussion and Analysis

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

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

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

The City maintains numerous 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 and major streets special revenue funds, each of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

**Proprietary funds.** The City maintains proprietary funds in the form of internal service funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its workers compensation and the motor pool activities. All of the City's individual internal service fund data is provided in the form of combining statements elsewhere in this report.

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

**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. This is limited to this management's discussion and analysis and the schedules for the pension and other postemployment benefits plans immediately following the notes to the financial statements.

The combining statements referred to earlier in connection with nonmajor funds are presented immediately following the required supplementary information.

# CITY OF YPSILANTI, MICHIGAN

## Management's Discussion and Analysis

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$176,875 at the close of the most recent fiscal year.

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

	Net Position	
	Governmental Activities	
	2022	2021
<b>Assets</b>		
Current and other assets	\$ 35,939,107	\$ 31,820,955
Net pension asset	5,477,458	4,680,770
Capital assets, net	15,253,237	16,164,664
<b>Total assets</b>	<b>56,669,802</b>	<b>52,666,389</b>
<b>Deferred outflows of resources</b>	<b>3,955,887</b>	<b>439,194</b>
<b>Liabilities</b>		
Long-term debt	20,871,860	23,812,403
Other liabilities	4,152,276	1,541,622
Net pension liability	25,763,121	19,314,519
Net OPEB liability	8,185,388	12,313,718
<b>Total liabilities</b>	<b>58,972,645</b>	<b>56,982,262</b>
<b>Deferred inflows of resources</b>	<b>1,829,919</b>	<b>5,659,807</b>
<b>Net position</b>		
Net investment in capital assets	14,913,237	15,824,664
Restricted	14,592,014	11,143,309
Unrestricted (deficit)	(29,682,126)	(36,504,459)
<b>Total net position</b>	<b>\$ (176,875)</b>	<b>\$ (9,536,486)</b>

# CITY OF YPSILANTI, MICHIGAN

## Management's Discussion and Analysis

	Changes in Net Position	
	Governmental Activities	
	2022	2021
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 3,334,011	\$ 3,041,512
Operating grants and contributions	6,338,785	4,666,320
Capital grants and contributions	31,997	319,991
General revenues:		
Property taxes	11,633,250	12,216,350
Grants and contributions not restricted to specific programs	3,381,426	3,247,849
Other	23,751	104,823
<b>Total revenues</b>	<u>24,743,220</u>	<u>23,596,845</u>
<b>Expenses</b>		
Legislative	132,227	140,728
General government	1,349,430	2,641,628
Public safety	7,674,368	9,188,901
Public works	1,750,619	4,024,987
Public transportation	300,545	308,218
Highways, streets and bridges	2,203,166	2,205,971
Culture and recreation	1,042,772	620,355
Community development	502,724	544,410
Interest on long-term debt	427,758	709,721
<b>Total expenses</b>	<u>15,383,609</u>	<u>20,384,919</u>
<b>Change in net position</b>	9,359,611	3,211,926
Net position, beginning of year	<u>(9,536,486)</u>	<u>(12,748,412)</u>
<b>Net position, end of year</b>	<u>\$ (176,875)</u>	<u>\$ (9,536,486)</u>

## CITY OF YPSILANTI, MICHIGAN

### Management's Discussion and Analysis

**Governmental activities.** Governmental activities increased the City's net position by \$9.4 million during fiscal year 2022 compared to an increase of \$3.2 million during fiscal 2021. Some significant elements of this increase are as follows:

- Changes in the City's net OPEB liability and related deferred amounts offset operating expense by approximately \$5.4 million for the 2022 fiscal year.
- Increase in charges for services of approximately \$292,000 due to lifting of COVID restrictions and the City being able to resume normal operations.
- Public works expense decreased by \$2.3 million. This change was driven by a \$4.5 million fluctuation in contributions related to debt issued on behalf of the Ypsilanti Community Utilities Authority. The Authority makes annual payments to the City on debt obligations issued on their behalf of approximately \$2.3 million each year. However, due to timing of payments the City adjusted the Authority's notes receivable for two payments in 2021 and which meant that no payment adjustment was necessary for 2022. The City expects that regular annual timing of payment adjustments will resume in fiscal year 2023.
- Property tax revenue decreased by \$0.6 million due to the City levying lower millage rates for fiscal year 2022.

#### Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$20.2 million, an increase of \$1.3 million from the prior year. Approximately 27.9 percent of this total amount, or \$5.6 million is available for spending at the government's discretion (unassigned fund balance). The remainder of fund balance is (1) nonspendable to indicate that it is not available for new spending because it must be maintained intact for inventories, prepaid items, and assets held for sale of \$346,673; (2) restricted to indicate limitations on its use imposed by grants or legislation, which total \$7.9 million; and (3) committed which indicate funds that have self-imposed limitations, which total \$6.3 million. A summary of the nonspendable, restricted, and committed components of fund balance can be found in the notes to financial statements section of this report.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5.6 million, while total fund balance was \$10.0 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 34.5 percent of total general fund expenditures and transfers out while total fund balance represents 61.5 percent of total general fund expenditures and transfers out.

The fund balance of the City's general fund increased by \$0.6 million during the current fiscal year. This was largely due to budgeted positions that have remained vacant during the year leading to a reduction in operating expenditures for personnel.

## CITY OF YPSILANTI, MICHIGAN

### Management's Discussion and Analysis

The major streets special revenue fund's fund balance increased approximately \$0.6 million from the prior fiscal year leaving a total surplus of \$4.0 million at fiscal year-end. This increase was largely due to a reduction in overall construction projects by the City due to project timelines being extended or future planned projects not yet initiated.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements for internal service funds but in more detail.

Unrestricted net position of the internal service funds at the end of the year amounted to \$1.6 million. The internal service funds had a decrease in net position for the year of approximately \$28,000.

#### General Fund Budgetary Highlights

Differences between the original and final amended budgeted revenues totaled an increase \$0.9 million. These amendments were largely related to charges for services of approximately \$600,000 and an increase in recreational state revenue share of approximately \$200,000.

Actual revenues exceeded final amended budgeted amounts by \$1.0 million. This was largely due to approximately \$580,000 from State Revenue Sharing in excess of budgeted amounts, better than expected returns on charges for services of approximately \$25,000, and donations in excess of budgeted amounts of approximately \$74,000.

Differences between the original and final amended budgeted expenditures and transfers out totaled an increase of approximately \$1.2 million. These amendments were largely related to an increase in budgeted grant programs of approximately \$135,000, an amendment for the Peninsular Dam Removal project for \$90,000, and an additional \$400,000 budgeted for police officers during the year.

Actual expenditures were less than final amended budgeted amounts by approximately \$0.3 million. This was largely due to savings of approximately \$137,000 in contractual services and \$150,000 in salaries and wages due to positions that were budgeted for but vacant and unfilled during the fiscal year.

#### Capital Assets and Debt Administration

**Capital assets.** The net book value of the City's capital assets for its governmental activities as of June 30, 2022, amounted to \$15.3 million. This investment in capital assets includes land, construction in progress, infrastructure, buildings and improvements, and vehicles and equipment. The total net decrease in the City's capital assets for the current fiscal year was \$0.9 million or 5.6 percent.

Major capital asset events during the fiscal year included the following:

- Completion of the Oakwood Street Rehab Project.
- Construction of the PCC Basketball Court, Huron Pedestrian Bridge construction and improvements, Ypsilanti Policy Department (YPD) Evidence Room, and installation of Fire HVAC improvements.

# CITY OF YPSILANTI, MICHIGAN

## Management's Discussion and Analysis

	Capital Assets (Net)	
	Governmental Activities	
	2022	2021
Land	\$ 1,358,840	\$ 1,358,840
Construction in progress	851,510	1,123,657
Infrastructure	6,984,028	7,140,569
Buildings and improvements	4,118,456	4,300,490
Vehicles and equipment	1,940,403	2,241,108
<b>Total</b>	<b>\$ 15,253,237</b>	<b>\$ 16,164,664</b>

Additional information related to capital assets can be found in Note 7 to the financial statements.

**Installment Debt Outstanding.** At the end of the current fiscal year, the City had total debt outstanding of \$19,266,984. Of this amount, \$6,945,000 comprises debt backed by the full faith and credit of the government.

	Outstanding Debt	
	Governmental Activities	
	2022	2021
General obligation bonds	\$ 6,945,000	\$ 7,580,000
Revenue bonds	11,981,984	14,201,984
Direct borrowing	340,000	340,000
<b>Total</b>	<b>\$ 19,266,984</b>	<b>\$ 22,121,984</b>

The City made principal payments on existing agreements in the amount of \$2,855,000 during the current fiscal year.

The City has an “A2” rating from Moody's Investor Service for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to ten percent of its total assessed valuation. The current debt limitation for the City is \$47,346,405, which is significantly in excess of the City's outstanding general obligation debt of \$6,945,000.

Additional information related to long-term debt can be found in Note 10 to the financial statements.

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

The following factors were considered in preparing the City's budget for the 2022/2023 fiscal year:

- Property Taxes were projected to increase by 3% due to inflation projections at that time. State Revenue Sharing projections were based on information provided by the State. ARPA Funds will be used to support operations for fiscal year 2022-2023 and fiscal year 2023-2024.

## CITY OF YPSILANTI, MICHIGAN

### Management's Discussion and Analysis

- Revenue from PA 289 Fire Protection is projected at 50%. While the City did receive the full amount for the last three years, this appropriation for this is approved on an annual basis, and the City has elected to budget conservatively.
- 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 budgeted for salaries to increase by 3%, healthcare benefits to increase by 6%, and an overall increase to operating expenses between 5% to 10%.
- Pension and OPEB employer contributions were based on the latest actuarial reports.

### Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 1 South Huron Street, 4th Floor, Ypsilanti, MI 48197.

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## **BASIC FINANCIAL STATEMENTS**

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

# CITY OF YPSILANTI, MICHIGAN

## Statement of Net Position

June 30, 2022

	Primary Government	
	Governmental Activities	Component Units
<b>Assets</b>		
Pooled cash and investments	\$ 22,919,682	\$ 796,310
Receivables	11,463,388	515
Net pension asset	5,477,458	-
Other assets	1,556,037	-
Capital assets not being depreciated	2,210,350	53,200
Capital assets being depreciated, net	13,042,887	193,464
<b>Total assets</b>	<b>56,669,802</b>	<b>1,043,489</b>
<b>Deferred outflows of resources</b>		
Deferred pension amounts	3,086,415	-
Deferred OPEB amounts	869,472	-
<b>Total deferred outflows of resources</b>	<b>3,955,887</b>	<b>-</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	1,703,845	18,197
Accrued interest payable	166,236	-
Unearned revenue	2,282,195	-
Long-term debt:		
Due within one year	3,493,479	80,000
Due in more than one year	17,378,381	80,000
Net pension liability (due in more than one year)	25,763,121	-
Net OPEB liability (due in more than one year)	8,185,388	-
<b>Total liabilities</b>	<b>58,972,645</b>	<b>178,197</b>
<b>Deferred inflows of resources</b>		
Deferred gain on bond refunding	88,750	-
Deferred pension amounts	1,741,169	-
<b>Total deferred inflows of resources</b>	<b>1,829,919</b>	<b>-</b>
<b>Net position</b>		
Net investment in capital assets	14,913,237	246,664
Restricted for:		
Highways and streets	5,627,581	-
Public safety	281,047	-
Public works	34,218	-
Public transportation	7,152	-
Debt service	668,862	-
Pension benefits	6,822,704	-
Land held for resale	1,150,450	-
Unrestricted (deficit)	(29,682,126)	618,628
<b>Total net position</b>	<b>\$ (176,875)</b>	<b>\$ 865,292</b>

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

**CITY OF YPSILANTI, MICHIGAN**

**Statement of Activities**

For the Fiscal Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>					
Governmental activities:					
Legislative	\$ 132,227	\$ -	\$ -	\$ -	\$ (132,227)
General government	1,349,430	2,289,161	710,933	31,997	1,682,661
Public safety	7,674,368	1,044,850	500,842	-	(6,128,676)
Public works	1,750,619	-	2,658,696	-	908,077
Public transportation	300,545	-	-	-	(300,545)
Highways, streets, and bridges	2,203,166	-	2,467,720	-	264,554
Culture and recreation	1,042,772	-	594	-	(1,042,178)
Community development	502,724	-	-	-	(502,724)
Interest on long-term debt	427,758	-	-	-	(427,758)
Total governmental activities	<u>15,383,609</u>	<u>3,334,011</u>	<u>6,338,785</u>	<u>31,997</u>	<u>(5,678,816)</u>
<b>Total primary government</b>	<u>\$ 15,383,609</u>	<u>\$ 3,334,011</u>	<u>\$ 6,338,785</u>	<u>\$ 31,997</u>	<u>\$ (5,678,816)</u>
<b>Component units</b>					
Downtown Development Authority	\$ 1,241,738	\$ 18,916	\$ 24,750	\$ -	\$ (1,198,072)
Depot Town Downtown Development Authority	175,669	-	8,500	-	(167,169)
Economic Development Corporation	49,539	-	-	-	(49,539)
West Cross Street Downtown Development Authority	106,347	-	78,332	-	(28,015)
<b>Total component units</b>	<u>\$ 1,573,293</u>	<u>\$ 18,916</u>	<u>\$ 111,582</u>	<u>\$ -</u>	<u>\$ (1,442,795)</u>

continued...

# CITY OF YPSILANTI, MICHIGAN

## Statement of Activities

For the Fiscal Year Ended June 30, 2022

	Primary Government	
	Governmental Activities	Component Units
<b>Net revenues (expenses)</b>	\$ (5,678,816)	\$ (1,442,795)
<b>General revenues</b>		
Property taxes	11,633,250	611,807
Grants and contributions not restricted to specific purposes	3,381,426	-
Unrestricted investment loss	(144,052)	(10,931)
Gain on sale of capital assets	167,803	-
<b>Total general revenues</b>	<u>15,038,427</u>	<u>600,876</u>
<b>Change in net position</b>	9,359,611	(841,919)
Net position, beginning of year	<u>(9,536,486)</u>	<u>1,707,211</u>
<b>Net position, end of year</b>	<u>\$ (176,875)</u>	<u>\$ 865,292</u>

concluded.

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

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## **FUND FINANCIAL STATEMENTS**

# CITY OF YPSILANTI, MICHIGAN

## Balance Sheet

Governmental Funds

June 30, 2022

	General	Major Streets	Nonmajor Governmental Funds	Totals
<b>Assets</b>				
Pooled cash and investments	\$ 12,615,475	\$ 3,782,996	\$ 5,124,088	\$ 21,522,559
Accounts receivable	628,429	520	5,429	634,378
Due from other governments	596,717	265,072	140,558	1,002,347
Land held for resale	11,110	-	1,150,450	1,161,560
Inventories	233,980	-	-	233,980
Prepaid items	99,938	-	1,645	101,583
<b>Total assets</b>	<b>\$ 14,185,649</b>	<b>\$ 4,048,588</b>	<b>\$ 6,422,170</b>	<b>\$ 24,656,407</b>
<b>Liabilities</b>				
Accounts payable	\$ 526,760	\$ 121,891	\$ 131,231	\$ 779,882
Accrued liabilities	800,998	1,936	9,371	812,305
Tax refunds payable	51,993	-	14,922	66,915
Unearned revenue	2,282,195	-	-	2,282,195
<b>Total liabilities</b>	<b>3,661,946</b>	<b>123,827</b>	<b>155,524</b>	<b>3,941,297</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue	483,253	-	-	483,253
<b>Fund balances</b>				
Nonspendable	345,028	-	1,645	346,673
Restricted	-	3,924,761	4,010,785	7,935,546
Committed	4,051,659	-	2,254,216	6,305,875
Unassigned	5,643,763	-	-	5,643,763
<b>Total fund balances</b>	<b>10,040,450</b>	<b>3,924,761</b>	<b>6,266,646</b>	<b>20,231,857</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 14,185,649</b>	<b>\$ 4,048,588</b>	<b>\$ 6,422,170</b>	<b>\$ 24,656,407</b>

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

## CITY OF YPSILANTI, MICHIGAN

### Reconciliation

Fund Balances of Governmental Funds  
to Net Position of Governmental Activities  
June 30, 2022

<b>Fund balances - total governmental funds</b>	\$ 20,231,857
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore not reported in the funds.	
Capital assets not being depreciated	2,210,350
Capital assets being depreciated, net	13,042,887
Less capital assets accounted for in the internal service funds	(1,596,324)
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred inflows in the governmental funds, and thus are not included in fund balance.	
Unavailable revenue	483,253
Certain pension and OPEB-related amounts, such as the net pension liability / asset, net OPEB liability, and deferred amounts are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds.	
Net pension asset	5,477,458
Net pension liability	(25,763,121)
Deferred outflows related to the net pension liability / asset	3,086,415
Deferred inflows related to the net pension liability / asset	(1,741,169)
Net OPEB liability	(8,185,388)
Deferred outflows related to the net OPEB liability	869,472
Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.	
Net position of governmental activities accounted for in the internal service funds	3,175,421
Certain liabilities and deferred inflows of resources, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the governmental funds.	
Unamortized deferred gain on bond refunding	(88,750)
Notes receivable from YCUA for debt-financed property	9,658,860
Bonds and installment contracts:	
General obligation bonds	(6,945,000)
Revenue bonds	(11,981,984)
Direct borrowing	(340,000)
Unamortized bond premium	(609,797)
Compensated absences	(995,079)
Accrued interest on long-term liabilities	(166,236)
<b>Net position of governmental activities</b>	<u>\$ (176,875)</u>

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

# CITY OF YPSILANTI, MICHIGAN

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

Governmental Funds

For the Fiscal Year Ended June 30, 2022

	General	Major Streets	Nonmajor Governmental Funds	Totals
<b>Revenues</b>				
Property taxes	\$ 9,737,007	\$ -	\$ 1,896,243	\$ 11,633,250
Licenses and permits	854,130	-	-	854,130
Intergovernmental	4,127,529	1,918,883	3,645,938	9,692,350
Charges for services	1,148,393	9,180	388,871	1,546,444
Fines and forfeits	46,518	-	-	46,518
Donations	112,227	-	-	112,227
Investment loss	(73,199)	(42,500)	(17,038)	(132,737)
Miscellaneous	755,580	-	126,343	881,923
<b>Total revenues</b>	<b>16,708,185</b>	<b>1,885,563</b>	<b>6,040,357</b>	<b>24,634,105</b>
<b>Expenditures</b>				
Current:				
Legislative	132,227	-	-	132,227
General government	3,473,163	-	26,762	3,499,925
Public safety	10,099,971	-	161,563	10,261,534
Public works	624,703	-	1,726,857	2,351,560
Public transportation	-	-	300,545	300,545
Highways, streets, and bridges	-	1,312,755	476,175	1,788,930
Culture and recreation	826,900	-	97,301	924,201
Community development	519,033	-	-	519,033
Debt service:				
Principal	-	-	2,855,000	2,855,000
Interest and fiscal charges	-	-	693,195	693,195
<b>Total expenditures</b>	<b>15,675,997</b>	<b>1,312,755</b>	<b>6,337,398</b>	<b>23,326,150</b>
Revenues over (under) expenditures	1,032,188	572,808	(297,041)	1,307,955
<b>Other financing sources (uses)</b>				
Transfers in	220,000	-	788,122	1,008,122
Transfers out	(663,122)	-	(345,000)	(1,008,122)
<b>Total other financing sources (uses)</b>	<b>(443,122)</b>	<b>-</b>	<b>443,122</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>589,066</b>	<b>572,808</b>	<b>146,081</b>	<b>1,307,955</b>
Fund balances, beginning of year	9,451,384	3,351,953	6,120,565	18,923,902
<b>Fund balances, end of year</b>	<b>\$ 10,040,450</b>	<b>\$ 3,924,761</b>	<b>\$ 6,266,646</b>	<b>\$ 20,231,857</b>

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

## CITY OF YPSILANTI, MICHIGAN

### Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Changes in Net Position of Governmental Activities  
For the Fiscal Year Ended June 30, 2022

<b>Net change in fund balances - total governmental funds</b>	<b>\$ 1,307,955</b>
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital assets purchased/constructed	869,090
Internal service fund capital assets purchased/constructed	(184,857)
Depreciation expense	(1,780,517)
Internal service fund depreciation expense	361,977
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.	
Unavailable revenue	(43,834)
Change in notes receivable from YCUA	80,461
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal payments on long-term liabilities	2,855,000
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 governmental funds.	
Change in accrued interest payable on bonds	13,305
Amortization of deferred gain on bond refunding	18,079
Amortization of bond premium	153,479
Change in net OPEB liability and related deferred amounts	5,426,229
Change in net pension liability / asset and related deferred amounts	378,689
Change in the accrual of compensated absences	(67,936)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	
Net operating loss from governmental activities accounted for in internal service funds	(184,591)
Nonoperating revenue, net from governmental internal service funds	157,082
<b>Change in net position of governmental activities</b>	<b>\$ 9,359,611</b>

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

# CITY OF YPSILANTI, MICHIGAN

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

Budget and Actual - General Fund

For the Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Property taxes	\$ 9,960,776	\$ 9,713,413	\$ 9,737,007	\$ 23,594
Licenses and permits	943,135	920,485	854,130	(66,355)
Intergovernmental	2,951,961	3,210,811	4,127,529	916,718
Charges for services	541,100	1,123,346	1,148,393	25,047
Fines and forfeits	50,000	50,000	46,518	(3,482)
Donations	53,657	38,665	112,227	73,562
Investment income (loss)	150,000	15,000	(73,199)	(88,199)
Miscellaneous	590,842	656,415	755,580	99,165
<b>Total revenues</b>	<b>15,241,471</b>	<b>15,728,135</b>	<b>16,708,185</b>	<b>980,050</b>
<b>Expenditures</b>				
Legislative - City Council	127,621	142,037	132,227	(9,810)
General government:				
City Manager	280,782	352,802	271,105	(81,697)
City Treasurer	110,046	110,301	108,737	(1,564)
Finance and accounting	514,924	505,926	456,458	(49,468)
City Clerk	232,262	305,174	308,664	3,490
Public building maintenance	312,158	333,404	277,022	(56,382)
Litigation and appeals	110,000	115,311	143,584	28,273
Assessing	109,625	109,625	105,612	(4,013)
Elections	71,561	124,446	97,218	(27,228)
General legal	220,054	313,058	304,540	(8,518)
Personnel legal	25,000	25,000	25,314	314
Human resources	218,103	224,482	172,890	(51,592)
Unallocated	1,021,284	932,115	1,202,019	269,904
<b>Total general government</b>	<b>3,225,799</b>	<b>3,451,644</b>	<b>3,473,163</b>	<b>21,519</b>
Public safety:				
Police	5,674,333	5,985,855	5,600,902	(384,953)
Fire	3,685,920	3,629,166	3,792,214	163,048
Ordinance enforcement	235,536	251,206	171,876	(79,330)
Building inspection	481,248	533,831	534,979	1,148
<b>Total public safety</b>	<b>10,077,037</b>	<b>10,400,058</b>	<b>10,099,971</b>	<b>(300,087)</b>

## CITY OF YPSILANTI, MICHIGAN

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

Budget and Actual - General Fund

For the Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (concluded)</b>				
Current (concluded):				
Public works:				
Public works department	\$ 171,071	\$ 231,701	\$ 211,082	\$ (20,619)
Street lighting	409,000	456,000	413,621	(42,379)
Total public works	<u>580,071</u>	<u>687,701</u>	<u>624,703</u>	<u>(62,998)</u>
Culture and recreation -				
Parks and recreation	<u>455,299</u>	<u>734,567</u>	<u>826,900</u>	<u>92,333</u>
Community development -				
Planning and development	<u>590,889</u>	<u>597,991</u>	<u>519,033</u>	<u>(78,958)</u>
<b>Total expenditures</b>	<u>15,056,716</u>	<u>16,013,998</u>	<u>15,675,997</u>	<u>(338,001)</u>
Revenues over (under) expenditures	<u>184,755</u>	<u>(285,863)</u>	<u>1,032,188</u>	<u>1,318,051</u>
<b>Other financing sources (uses)</b>				
Transfers in	220,000	220,000	220,000	-
Transfers out	<u>(440,705)</u>	<u>(663,122)</u>	<u>(663,122)</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>(220,705)</u>	<u>(443,122)</u>	<u>(443,122)</u>	<u>-</u>
<b>Net change in fund balance</b>	(35,950)	(728,985)	589,066	1,318,051
Fund balance, beginning of year	<u>9,451,384</u>	<u>9,451,384</u>	<u>9,451,384</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 9,415,434</u>	<u>\$ 8,722,399</u>	<u>\$ 10,040,450</u>	<u>\$ 1,318,051</u>

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

## CITY OF YPSILANTI, MICHIGAN

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

Budget and Actual - Major Streets Fund

For the Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 1,581,977	\$ 1,898,257	\$ 1,918,883	\$ 20,626
Charges for services	7,000	7,000	9,180	2,180
Investment income (loss)	12,767	18,761	(42,500)	(61,261)
<b>Total revenues</b>	<u>1,601,744</u>	<u>1,924,018</u>	<u>1,885,563</u>	<u>(38,455)</u>
<b>Expenditures</b>				
Public works:				
Street construction	293,200	967,365	586,949	(380,416)
Routine maintenance	443,955	460,561	379,184	(81,377)
Routine maintenance - bridges	7,200	7,200	6,500	(700)
Traffic services	114,498	116,903	92,625	(24,278)
Trunkline maintenance	81,745	88,043	95,438	7,395
Winter maintenance	85,352	87,084	100,281	13,197
Administration	56,417	80,988	51,778	(29,210)
<b>Total expenditures</b>	<u>1,082,367</u>	<u>1,808,144</u>	<u>1,312,755</u>	<u>(495,389)</u>
<b>Net change in fund balance</b>	519,377	115,874	572,808	456,934
Fund balance, beginning of year	<u>3,351,953</u>	<u>3,351,953</u>	<u>3,351,953</u>	-
<b>Fund balance, end of year</b>	<u>\$ 3,871,330</u>	<u>\$ 3,467,827</u>	<u>\$ 3,924,761</u>	<u>\$ 456,934</u>

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

# CITY OF YPSILANTI, MICHIGAN

## Statement of Net Position

Proprietary Funds

June 30, 2022

	<b>Governmental Activities</b>
	<b>Internal Service Funds</b>
<b>Assets</b>	
Current assets:	
Pooled cash and investments	\$ 1,397,123
Accounts receivable	167,803
Inventories	58,914
Total current assets	<u>1,623,840</u>
Noncurrent assets -	
Capital assets being depreciated, net	<u>1,596,324</u>
<b>Total assets</b>	<u>3,220,164</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	42,652
Accrued liabilities	2,091
<b>Total liabilities</b>	<u>44,743</u>
<b>Net position</b>	
Investment in capital assets	1,596,324
Unrestricted	<u>1,579,097</u>
<b>Total net position</b>	<u>\$ 3,175,421</u>

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

# CITY OF YPSILANTI, MICHIGAN

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

Proprietary Funds

For the Year Ended June 30, 2022

	Governmental Activities
	Internal Service Funds
<b>Operating revenues</b>	
Charges for services	\$ 1,195,191
<b>Operating expenses</b>	
Salaries, taxes, and benefits	188,271
Gas, oil, and fuel	152,303
Operation and maintenance	149,807
Contractual services and fees	160,588
Insurance	87,627
Benefits and claim payments	279,209
Depreciation	361,977
<b>Total operating expenses</b>	<u>1,379,782</u>
Operating loss	<u>(184,591)</u>
<b>Nonoperating revenues (expenses)</b>	
Investment loss	(10,721)
Gain on sale of capital assets	167,803
<b>Total nonoperating revenues (expenses)</b>	<u>157,082</u>
<b>Change in net position</b>	(27,509)
Net position, beginning of year	<u>3,202,930</u>
<b>Net position, end of year</b>	<u><u>\$ 3,175,421</u></u>

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

# CITY OF YPSILANTI, MICHIGAN

## Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2022

	Governmental Activities
	Internal Service Funds
<b>Cash flows from operating activities</b>	
Receipts for interfund services provided	\$ 1,036,980
Payments to employees	(187,389)
Payments to vendors and claimants	(990,980)
	<u>(141,389)</u>
<b>Net cash used in operating activities</b>	<u>(141,389)</u>
<b>Cash flows from capital and related financing activities</b>	
Purchases of capital assets	(184,857)
Proceeds from sale of capital assets	167,803
	<u>(17,054)</u>
<b>Net cash used in capital and related financing activities</b>	<u>(17,054)</u>
<b>Cash flows from investing activities</b>	
Interest and dividends	(10,721)
	<u>(10,721)</u>
<b>Net change in pooled cash and investments</b>	(169,164)
Pooled cash and investments, beginning of year	<u>1,566,287</u>
<b>Pooled cash and investments, end of year</b>	<u>\$ 1,397,123</u>

continued...

# CITY OF YPSILANTI, MICHIGAN

## Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2022

	<b>Governmental Activities</b>
	<b>Internal Service Funds</b>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (184,591)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	361,977
Change in assets and liabilities that provided (used) cash:	
Accounts receivable	(158,211)
Inventories	(28,737)
Accounts payable	(132,709)
Accrued liabilities	882
	<hr/>
<b>Net cash used in operating activities</b>	<b><u>\$ (141,389)</u></b>

concluded.

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

# CITY OF YPSILANTI, MICHIGAN

## Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2022

	Pension and Other Postemployment Benefits Trust Funds	Current Tax Collection Custodial Fund
<b>Assets</b>		
Pooled cash and investments	\$ 1,075,642	\$ 11,468
Investments, at fair value:		
U.S. treasuries	395,761	-
U.S. agencies (asset backed)	2,242,266	-
Corporate bonds	3,443,705	-
Domestic equities	14,446,242	-
International equities	2,369,064	-
International mutual funds	1,501,834	-
Real estate investment trusts	232,997	-
MERS retiree healthcare funding vehicle	8,940,349	-
Money market accounts	700,019	-
Due from other governments	7,650	-
Prepaid items	46,338	-
<b>Total assets</b>	<u>35,401,867</u>	<u>11,468</u>
<b>Liabilities</b>		
Benefits payable	1,918,254	-
Due to other governments	-	11,468
<b>Total liabilities</b>	<u>1,918,254</u>	<u>11,468</u>
<b>Net position</b>		
Restricted for:		
Pension benefits	24,328,857	-
Other postemployment benefits	9,154,756	-
<b>Total net position</b>	<u><u>\$ 33,483,613</u></u>	<u><u>\$ -</u></u>

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

# CITY OF YPSILANTI, MICHIGAN

## Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended June 30, 2022

	Pension and Other Postemployment Benefits Trust Funds	Current Tax Collection Custodial Fund
<b>Additions</b>		
Contributions:		
Employer	\$ 3,563,240	\$ -
Plan members	244,899	-
Total contributions	<u>3,808,139</u>	<u>-</u>
Investment income (loss):		
Net change in fair value of investments	(6,148,348)	-
Interest	600,771	-
Total investment income (loss)	<u>(5,547,577)</u>	<u>-</u>
Less: investment expense	<u>(178,624)</u>	<u>-</u>
Net investment loss	<u>(5,726,201)</u>	<u>-</u>
Taxes collected for other governments	<u>-</u>	<u>15,104,403</u>
<b>Total additions</b>	<u>(1,918,062)</u>	<u>15,104,403</u>
<b>Deductions</b>		
Benefits	4,976,777	-
Refunds	412,211	-
Administration	65,308	-
Payments of taxes to other governments	<u>-</u>	<u>15,104,403</u>
<b>Total deductions</b>	<u>5,454,296</u>	<u>15,104,403</u>
<b>Change in net position</b>	(7,372,358)	-
Net position, beginning of year	<u>40,855,971</u>	<u>-</u>
<b>Net position, end of year</b>	<u>\$ 33,483,613</u>	<u>\$ -</u>

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

# CITY OF YPSILANTI, MICHIGAN

## Combining Statement of Net Position

Discretely Presented Component Units

June 30, 2022

	Downtown Development Authority	Depot Town Downtown Development Authority	Economic Development Corporation	West Cross Downtown Development Authority	Totals
<b>Assets</b>					
Cash and cash equivalents	\$ 343,671	\$ 318,027	\$ 33,173	\$ 101,439	\$ 796,310
Receivables	-	515	-	-	515
Capital assets not being depreciated	-	-	53,200	-	53,200
Capital assets being depreciated, net	-	193,464	-	-	193,464
<b>Total assets</b>	<b>343,671</b>	<b>512,006</b>	<b>86,373</b>	<b>101,439</b>	<b>1,043,489</b>
<b>Liabilities</b>					
Accounts payable	4,554	10,804	-	605	15,963
Accrued liabilities	2,234	-	-	-	2,234
Long-term liabilities:					
Due within one year	80,000	-	-	-	80,000
Due more than one year	80,000	-	-	-	80,000
<b>Total liabilities</b>	<b>166,788</b>	<b>10,804</b>	<b>-</b>	<b>605</b>	<b>178,197</b>
<b>Net position</b>					
Net investment in capital assets	-	193,464	53,200	-	246,664
Unrestricted	176,883	307,738	33,173	100,834	618,628
<b>Total net position</b>	<b>\$ 176,883</b>	<b>\$ 501,202</b>	<b>\$ 86,373</b>	<b>\$ 100,834</b>	<b>\$ 865,292</b>

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

## CITY OF YPSILANTI, MICHIGAN

### Combining Statement of Activities

Discretely Presented Component Units

For the Fiscal Year Ended June 30, 2022

	Downtown Development Authority	Depot Town Downtown Development Authority	Economic Development Corporation	West Cross Downtown Development Authority	Totals
<b>Expenses</b>					
Community development	\$ 1,227,920	\$ 175,669	\$ 49,539	\$ 106,347	\$ 1,559,475
Interest and fiscal charges	13,818	-	-	-	13,818
<b>Total expenses</b>	<b>1,241,738</b>	<b>175,669</b>	<b>49,539</b>	<b>106,347</b>	<b>1,573,293</b>
<b>Program revenues</b>					
Charges for services	18,916	-	-	-	18,916
Operating grants and contributions	24,750	8,500	-	-	33,250
<b>Total program revenues</b>	<b>43,666</b>	<b>8,500</b>	<b>-</b>	<b>-</b>	<b>52,166</b>
<b>Net revenues (expenses)</b>	<b>(1,198,072)</b>	<b>(167,169)</b>	<b>(49,539)</b>	<b>(106,347)</b>	<b>(1,521,127)</b>
<b>General revenues</b>					
Property taxes	314,514	117,062	49,480	130,751	611,807
Investment loss	(6,773)	(1,900)	(356)	(1,902)	(10,931)
Miscellaneous	-	-	-	78,332	78,332
<b>Total general revenues</b>	<b>307,741</b>	<b>115,162</b>	<b>49,124</b>	<b>207,181</b>	<b>679,208</b>
<b>Change in net position</b>	<b>(890,331)</b>	<b>(52,007)</b>	<b>(415)</b>	<b>100,834</b>	<b>(841,919)</b>
Net position, beginning of year	1,067,214	553,209	86,788	-	1,707,211
<b>Net position, end of year</b>	<b>\$ 176,883</b>	<b>\$ 501,202</b>	<b>\$ 86,373</b>	<b>\$ 100,834</b>	<b>\$ 865,292</b>

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

## **NOTES TO FINANCIAL STATEMENTS**

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Ypsilanti, Michigan (the “City”) was incorporated in 1858 and is located in Washtenaw County. The City operates under a Council-Manager form of government and provides the following services: legislative, general government, public safety, public works, public transportation, highways, streets, and bridges, culture and recreation, and community development.

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

#### **Reporting Entity**

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City (the primary government) and its component units. The component units discussed below are included in the City’s reporting entity because of the significance of their operational or financial relationship with the City. Each discretely presented component unit has a June 30 fiscal year end.

#### *Discretely Presented Component Units*

Discretely presented component units are entities that are legally separate from the City but for which the City is financially accountable, or their relationship with the City is such that exclusion would cause the City’s financial statements to be misleading or incomplete. The discretely presented component units, each with a June 30 fiscal year end, are as follows:

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

**Economic Development Corporation** - The Economic Development Corporation 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.

**West Cross Street Downtown Development Authority** - The West Cross Street Downtown Development Authority is responsible for facilitating revitalization initiatives and coordinated planning in the business district adjacent to Eastern Michigan University. The City Council appoints and may remove board members and approves the budget. Separate financial statements are not available.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### *Fiduciary Component Units*

**City of Ypsilanti Police and Fire Employees Retirement System** - is a single-employer defined benefit contributory pension plan which provides retirement, disability and death benefits for plan members and their beneficiaries in accordance with the City's pension ordinance. The System is included as a fiduciary component unit of the City because (1) the System is a legally separate entity; (2) the City Council appoints a voting majority of the Board of Trustees; and (3) the City makes contributions to the System on behalf of its participants. Plan amendments are under the authority of the City. Changes in required contributions are subject to collective bargaining agreements and approval by the City Council.

**City of Ypsilanti MERS Retiree Health Funding Vehicle (RHFV) Other Postemployment Benefits Plan** - is a single-employer defined benefit postemployment healthcare plan that provides health care benefits to certain full-time employees upon retirement, in accordance with labor agreements and/or the City Administrative Code, or in the case of AFSME and non-union personnel according to City Council resolution. The Plan is included as a fiduciary component unit of the City because: (1) the Plan is a legally separate entity; (2) the City Council appoints a voting majority of the trustees - in the case of the MERS RHFV the City Council is the Fiduciary for the plan with MERS acting as the program administrator; and (3) the City makes contributions to the Plan on behalf of its participants. The Plan provisions are established and may be amended by the City Council, subject to the City's various collective bargaining agreements.

### **Basis of Presentation**

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

*Government-wide Financial Statements.* The statements of net position and activities display information about the primary government and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the City's *governmental* and *business-type* activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The City did not have any business-type activities as of year end.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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) fees, fines and 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 statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. 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.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### *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*. 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 revenues 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 revenues of the City's internal service funds are charges to customers for sales and services. Operating expenses for internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues 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. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*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, except for reimbursement-based grants which must be collected within one year. Property taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual.

Expenditures generally are recorded when a related fund liability is incurred, except for debt service expenditures, compensated absences, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt and acquisitions under long-term 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, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

The City reports the following major governmental funds:

*General fund.* This 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.

*Major streets special revenue fund.* This fund is used to control the expenditures of motor fuel taxes which are earmarked by law for major street and highway purposes.

## CITY OF YPSILANTI, MICHIGAN

### Notes to Financial Statements

Additionally, the City reports the following fund types:

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

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

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

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

The *pension and other postemployment benefits trust funds* account for the activities of the Police and Fire Employees' Retirement system and the MERS Retiree Health Funding Vehicle Other Postemployment Benefits Plan, which accumulate resources for retirement and other postemployment benefit payments to qualified employees.

The *custodial fund* accounts for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds. Custodial funds account for property tax collections.

#### **Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity**

##### ***Deposits and Investments***

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

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

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 investments due to changes in fair value are recognized each year.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### *Receivables and Payables*

All trade and delinquent property tax receivables are shown net of an allowance for uncollectibles, as applicable.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund receivables/payables (i.e., the current portion of interfund loans) or *advances to/from other funds* (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as *due to/from other funds*.

### *Inventories and Prepaid Items*

All inventories are valued at cost using the first-in/first-out method. Inventories of governmental funds are recorded as expenditures when consumed.

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

### *Assets Held for Sale*

Assets held for sale, consisting of land held for sale by the City that is longer in use, are recorded at the lower of fair value or net book value.

### *Capital Assets*

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

## Notes to Financial Statements

### *Deferred Outflows of Resources*

In addition to assets, the statement of net 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 assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of resources related to the net pension and other postemployment benefit assets/liabilities.

### *Compensated Absences*

It is the government's policy to permit employees to accumulate earned but unused vacation and compensatory time benefits, subject to certain limitations. Certain bargaining unit employees are also permitted to accumulate earned but unused sick leave. All vacation, compensatory time pay and sick leave are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

### *Long-term Obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

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

### *Deferred Inflows of Resources*

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds also report unavailable revenues, which arise only under a modified accrual basis of accounting that are reported as deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also reports deferred inflows for any deferred gain on bond refundings which are amortized over the remaining life of the bond issuance. In addition, the City reports deferred inflows of resources related to pension and other postemployment benefit assets/liabilities.

### *Pensions and Other Postemployment Benefits*

For purposes of measuring the net pension asset and liability and net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to pensions and other postemployment benefits, and pension and other postemployment benefit expense, information about the fiduciary net position of the plan and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### *Fund Balances*

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) 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. Authority rests with the City Council to assign fund balances. Assigned fund balances are reported in instances where the City Council has authorized for the making of such assignments. The general fund is the only fund that reports a positive unassigned fund balance amount. Governmental funds other than the general fund may find it necessary to report a negative unassigned fund balance if expenditures incurred for a specific purpose exceed the amounts that are restricted, committed, or assigned to that purpose. Unassigned fund balance is the residual classification used only for the general fund and any deficits reported in other governmental funds.

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

### *Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make significant estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## 2. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. All annual appropriations lapse at year end, except for those approved by the City Council for carry forward. 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 department 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.

Council reported budgeted amounts are as originally adopted or as amended by department revision or resolution. Supplemental budgetary appropriations were made during the year, the total of which was not significant in relation to the original appropriations.

### *Encumbrances*

Encumbrance accounting, under which purchase orders, contracts and other firm commitments are used for the expenditure of monies, is utilized as an extension of formal budgetary control in the governmental funds. Encumbered amounts lapse at year-end, however, material encumbrances generally are reappropriated as part of the following year's budget.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### 3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

During the year ended June 30, 2022, the City incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

	Final Budget	Actual	Budget Variance
<b>General fund</b>			
Current:			
General government:			
City Clerk	305,174	308,664	3,490
Litigation and appeals	115,311	143,584	28,273
Personnel legal	25,000	25,314	314
Unallocated	932,115	1,202,019	269,904
Public safety:			
Fire	3,629,166	3,792,214	163,048
Building inspection	533,831	534,979	1,148
Culture and recreation -			
Parks and recreation	734,567	826,900	92,333
<b>Major streets fund</b>			
Current -			
Public works:			
Trunkline maintenance	88,043	95,438	7,395
Winter maintenance	87,084	100,281	13,197
<b>Local streets fund</b>			
Current -			
Highways, streets, and bridges:			
Street construction	33,806	57,332	23,526
Winter maintenance	71,430	75,505	4,075
<b>Garbage and rubbish collection fund</b>			
Current -	1,178,859	1,179,222	363
Public works			

### 4. CONSTRUCTION CODE FEES

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

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

Current year building permit revenue	\$ 443,651
Less related expenditures:	
Direct costs	(534,156)
Estimated indirect costs	(51,001)
Current year shortfall	(141,506)
Cumulative shortfall, beginning of year	(841,154)
Cumulative shortfall, end of year	<u>\$ (982,660)</u>

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### 5. DEPOSITS AND INVESTMENTS

*Summary of Deposit and Investment Balances.* Following is a reconciliation of deposit and investment balances as of June 30, 2022:

	Primary Government	Component Units	Total
<b>Statement of Net Position</b>			
Pooled cash and investments	\$ 22,919,682	\$ 796,310	\$ 23,715,992
<b>Statement of Fiduciary Net Position</b>			
Pooled cash and investments	1,087,110	-	1,087,110
Investments – pension and other postemployment benefits	34,272,237	-	34,272,237
<b>Total</b>	<b>\$ 58,279,029</b>	<b>\$ 796,310</b>	<b>\$ 59,075,339</b>
<b>Deposits</b>			
Bank deposits (checking, savings, and money market accounts)			\$ 6,021,672
Certificates of deposit, due in less than one year			1,005,000
Certificates of deposit, due in more than one year			4,012,000
<b>Investments</b>			
Investments in securities, mutual funds and similar vehicles:			
City investment pool			13,760,655
Pension and other postemployment benefits trust funds			34,272,237
Cash on hand			3,775
<b>Total</b>			<b>\$ 59,075,339</b>

#### Deposits and Investments – Cash and Investment Pool

*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 it. As of June 30, 2022, \$8,467,576 of the City’s total bank balance of \$11,217,576 (total book balance was \$11,038,672) was exposed to custodial credit risk as it was uninsured and uncollateralized.

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

*Custodial Credit Risk - Investments.* Following is a summary of the City’s investments as of June 30, 2022:

Money market accounts	\$ 74,605
Fixed income:	
Commercial paper	525,126
U.S. treasuries	1,016,494
U.S. agencies (asset backed)	2,391,039
MILAF GovMIC investment pool	4,606,488
Michigan CLASS	5,146,903
<b>Total</b>	<b>\$ 13,760,655</b>

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

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, 2022, none of the City's investments, excluding the money market accounts which are not subject to custodial credit risk, were exposed to risk since the securities are held in the City's name by the counterparty.

*Credit Risk.* 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. The City's investments in fixed income securities were rated by Standard & Poor's ("S&P") or Moody's, as follows:

The City's investments in fixed income securities were rated by Standard & Poor's ("S&P") or Moody's, as follows:

Investment Rating	Amount
AA+ (S&P)	\$ 3,407,533
A1+ (S&P)	<u>525,126</u>
Totals	<u>\$ 3,932,659</u>

*Concentration of Credit Risk.* The City's investment policy does not address this risk. At June 30, 2022, the City's investment portfolio was concentrated as follows:

	Concentration	Amount
U.S. agencies (asset backed) - Federal home loan mortgage corporation	7%	\$ 1,002,124

## CITY OF YPSILANTI, MICHIGAN

### Notes to Financial Statements

*Interest Rate Risk.* The City's investments in investment pools, and money market accounts are not subject to interest rate risk disclosures. The City's investment policy does not address interest rate risk. As of June 30, 2022, maturities of debt securities were as follows:

	Investment Maturities (fair value by years)				
	Fair Value	Less Than 1	1-5	6-10	More Than 10
Fixed income:					
Commercial paper	\$ 525,126	\$ 525,126	\$ -	\$ -	\$ -
U.S. treasuries	1,016,494	1,016,494	-	-	-
U.S. agencies	2,391,039	-	2,391,039	-	-
	<u>\$ 3,932,659</u>	<u>\$ 1,541,620</u>	<u>\$ 2,391,039</u>	<u>\$ -</u>	<u>\$ -</u>

*Fair Value Measurements.* The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs – other than quoted prices – included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable and are based on estimates and assumptions. These levels are determined by the management's review of the type and substance of investments held by the City.

The City had the following recurring fair value measurements as of June 30, 2022:

	Level 1	Level 2	Level 3	Total
Fixed income:				
Commercial paper	\$ -	\$ 525,126	\$ -	\$ 525,126
U.S. treasuries	-	1,016,494	-	1,016,494
U.S. agencies	-	2,391,039	-	2,391,039
Money market funds	74,605	-	-	74,605
<b>Total investments at fair value</b>	<u>\$ 74,605</u>	<u>\$ 3,932,659</u>	<u>\$ -</u>	<u>4,007,264</u>
<b>Investments held at NAV</b>				<u>9,753,391</u>
<b>Total investments</b>				<u>\$ 13,760,655</u>

The fair value of the City's Level 1 investments is based on quotes from publicly traded securities markets, where available. The fair value of the City's Level 2 investments is determined primarily by a matrix pricing technique, which is used to value securities based on their relationship to benchmark quoted prices. Due to the inherent uncertainty of determining the fair value of investments that are not publicly traded, the fair value reported for these investments may differ significantly from the values that would have been used had a publicly traded market existed for such investments.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

*Investments in Entities that Calculate Net Asset Value per Share.* The City holds share in Michigan CLASS and MILAF GovMIC whereby the fair value of the investment is measured on a recurring basis using net asset value per share (or its equivalent) of the investment pool as a practical expedient. The Michigan CLASS investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities and other public agencies. The investments of MILAF+ portfolio (which includes GovMIC) are invested in Permitted Investments in such a manner as to result in an average dollar weighted maturity of no greater than sixty (60) days and a dollar-weighted average life (portfolio maturity computed to final maturity without regard to interest rate adjustments on investments) of no greater than one hundred twenty (120) days. In addition, the MILAF+ Portfolio seeks to maintain a constant net asset value per share of \$1.00.

### Deposits and Investments – Pension and Other Postemployment Benefits Trust Funds

The City maintains two pension trust funds (see Note 15) and one other postemployment benefits trust fund (see Note 16) where investments are maintained separately from the City's pooled cash and investments and are subject to separate investment policies and state statutes. Accordingly, the required disclosures for the pension and other postemployment benefits trust funds' deposits and investments are presented separately.

**Deposits** - The pension and other postemployment benefits trust funds do not maintain any checking or other demand/time deposit accounts other than their claims on the City's pooled cash and investments disclosed above.

**Investments** - The Michigan Public Employees Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, authorizes the pension and other postemployment benefit trusts to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations. The Retirement Boards have the responsibility and authority to oversee the respective investment portfolios. Various professional investment managers are contracted to assist in managing the trust funds' assets. All investment decisions are subject to Michigan law and the investment policy established by each respective Retirement Board.

The pension and other postemployment benefits trust funds' investments are held in various financial institutions or bank-administered trusts. Following is a summary of the funds' investments as of June 30, 2022:

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

Fixed income:	
U.S. treasuries	\$ 395,761
U.S. agencies (asset backed)	2,242,266
Corporate bonds -	
Domestic bonds	3,443,705
Equities:	
Domestic equities	14,446,242
International equities	2,369,064
International mutual funds	1,501,834
Real estate investment trusts (REIT)	232,997
Retiree health funding vehicle (MERS)	8,940,349
Money market funds	700,019
<b>Total investments</b>	<b>\$ 34,272,237</b>

## CITY OF YPSILANTI, MICHIGAN

### Notes to Financial Statements

*Credit Risk.* The pension and other postemployment benefits trust funds' investment policy 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.

The pension and other postemployment benefits trust funds' investments in fixed income securities were rated by Standard & Poor's ("S&P"), as follows:

Investment Rating	Amount
AA	\$ 545,080
A	1,317,453
BBB	1,976,933
Not rated	<u>2,242,266</u>
Totals	<u>\$ 6,081,732</u>

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

Short-term investments in money market funds are not subject to custodial credit risk.

*Concentration of Credit Risk.* The pension and other postemployment benefits trust funds' investment policies require that the securities of any one company or government agency should not exceed 5% of the total investment fair value of each individual pension and other postemployment benefit trust fund. At June 30, 2022, there were no concentrations in securities of any one issuer greater than 5% of investment fair value.

*Interest Rate Risk.* As of June 30, 2022, maturities of debt securities were as follows:

	Fair Value	Investment Maturities (fair value by years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. treasuries	\$ 395,761	\$ -	\$ 120,581	\$ 205,571	\$ 69,609
U.S. agencies	2,242,266	-	943	4,745	2,236,578
Corporate bonds - Domestic bonds	<u>3,443,705</u>	<u>376,756</u>	<u>1,042,821</u>	<u>1,164,342</u>	<u>859,786</u>
	<u>\$ 6,081,732</u>	<u>\$ 376,756</u>	<u>\$ 1,164,345</u>	<u>\$ 1,374,658</u>	<u>\$ 3,165,973</u>

The pension trust fund's policy regarding interest rate risk provides that fixed income maturities may not exceed 30 years; the pension trust's holdings comply with this requirement. The other postemployment benefits trust fund investment policies do not address interest rate risk.

## CITY OF YPSILANTI, MICHIGAN

### Notes to Financial Statements

*Foreign Currency Risk.* Foreign currency risk is the risk that significant fluctuations in exchange rates may adversely affect the fair value of an investment. The pension trust fund's exposure to foreign currency risk is limited to its underlying holdings of international equities via international exchange-traded equity funds.

In addition to the above, the pension trust fund's holdings in mutual funds are primarily composed of underlying investments in international equities. The residual mutual fund underlying investments are in cash and cash equivalents, domestic equities, and alternatives.

The pension trust fund's investment policy restricts the amount of investment in foreign currency-denominated investments to 20% of total pension system investments; the pension trust's holdings comply with this requirement.

*Fair Value Measurements.* The pension and other postemployment benefits trust funds categorize its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset, as determined by the investment advisors. Level 1 inputs are quoted prices in active markets for identical assets; 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, and are determined at the fund level based on a review of the investment's class, structure, and what kind of securities are held in the funds. The investment manager will request the information from the fund manager, if necessary.

The pension and other postemployment benefits trust funds had the following recurring fair value measurements as of June 30, 2022:

	Level 1	Level 2	Level 3	Total
Fixed income:				
U.S. treasuries	\$ -	\$ 395,761	\$ -	395,761
U.S. agencies (asset backed)	-	2,242,266	-	2,242,266
Corporate bonds -				
Domestic bonds	-	3,443,705	-	3,443,705
Equities:				
Domestic equities	14,446,242	-	-	14,446,242
International equities	2,369,064	-	-	2,369,064
Mutual funds	1,501,834	-	-	1,501,834
Real estate investment trusts (REIT)	-	-	232,997	232,997
Retiree health funding vehicle (MERS)	8,940,349	-	-	8,940,349
Money market funds	-	700,019	-	700,019
<b>Total Investments</b>	<b>\$ 27,257,489</b>	<b>\$ 6,781,751</b>	<b>\$ 232,997</b>	<b>\$ 34,272,237</b>

The fair value of the City's Level 1 investments is based on quotes from publicly traded securities markets, where available. The fair value of the City's Level 2 investments is determined primarily by a matrix pricing technique, which is used to value securities based on their relationship to benchmark quoted prices. Due to the inherent uncertainty of determining the fair value of investments that are not publicly traded, the fair value reported for these investments may differ significantly from the values that would have been used had a publicly traded market existed for such investments.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### 6. RECEIVABLES

Receivables are comprised of the following at year end:

	<b>Governmental Activities</b>	<b>Component Units</b>
Accounts receivable	\$ 802,181	\$ 515
Notes receivable	9,658,860	-
Due from other governments	1,002,347	-
	<u>\$ 11,463,388</u>	<u>\$ 515</u>
Amount not expected to be collected within one year	<u>\$ 7,373,860</u>	<u>\$ -</u>

The largest component of the City's receivable balance is its outstanding notes receivable from YCUA. The City expects to collect \$2,285,000 of its receivable from YCUA in the next year in accordance with contractual payment schedules. The remaining notes receivable will be collected between 2023 and 2035.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### 7. CAPITAL ASSETS

Capital assets activity of the primary government for the year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Governmental activities</b>					
Capital assets not being depreciated:					
Land	\$ 1,358,840	\$ -	\$ -	\$ -	\$ 1,358,840
Construction in progress	1,123,657	211,131	-	(483,278)	851,510
	<u>2,482,497</u>	<u>211,131</u>	<u>-</u>	<u>(483,278)</u>	<u>2,210,350</u>
Capital assets being depreciated:					
Infrastructure	45,853,386	426,112	-	483,278	46,762,776
Buildings and improvements	9,108,964	46,892	-	-	9,155,856
Vehicles and equipment	9,582,767	184,955	(639,747)	-	9,127,975
	<u>64,545,117</u>	<u>657,959</u>	<u>(639,747)</u>	<u>483,278</u>	<u>65,046,607</u>
Less accumulated depreciation for:					
Infrastructure	(38,712,817)	(1,065,931)	-	-	(39,778,748)
Buildings and improvements	(4,808,474)	(228,926)	-	-	(5,037,400)
Vehicles and equipment	(7,341,659)	(485,660)	639,747	-	(7,187,572)
	<u>(50,862,950)</u>	<u>(1,780,517)</u>	<u>639,747</u>	<u>-</u>	<u>(52,003,720)</u>
Total capital assets being depreciated, net	<u>13,682,167</u>	<u>(1,122,558)</u>	<u>-</u>	<u>483,278</u>	<u>13,042,887</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 16,164,664</u>	<u>\$ (911,427)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,253,237</u>

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Component units</b>					
Capital assets not being depreciated -					
Land	\$ 53,200	\$ -	\$ -	\$ -	\$ 53,200
Capital assets being depreciated -					
Buildings and improvements	3,693,036	-	(3,254,766)	-	438,270
Less accumulated depreciation for -					
Buildings and improvements	(2,227,953)	(76,697)	2,059,844	-	(244,806)
Total capital assets being depreciated, net	1,465,083	(76,697)	(1,194,922)	-	193,464
<b>Component unit capital assets, net</b>	<u>\$ 1,518,283</u>	<u>\$ (76,697)</u>	<u>\$ (1,194,922)</u>	<u>\$ -</u>	<u>\$ 246,664</u>

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

<b>Governmental activities</b>	
General government	\$ 41,635
Public safety	114,678
Public works	10,536
Highways, streets, and bridges	1,111,555
Culture and recreation	140,136
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	361,977
<b>Total depreciation expense - governmental activities</b>	<u>\$ 1,780,517</u>
<b>Component Units</b>	
Community development	<u>\$ 76,697</u>

The City had approximately \$690,000 in outstanding construction commitments at June 30, 2022.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following at year end:

	Governmental Activities	Component Units
Accounts payable	\$ 822,534	\$ 15,963
Accrued liabilities	814,396	2,234
Tax refunds payable	66,915	-
	<u>\$ 1,703,845</u>	<u>\$ 18,197</u>

### 9. INTERFUND TRANSFERS

For the year ended June 30, 2022, interfund transfers consisted of the following:

	Transfers In		
	General Fund	Nonmajor Governmental Funds	Total
<b>Transfers Out</b>			
General fund	\$ -	\$ 663,122	\$ 663,122
Nonmajor governmental funds	220,000	125,000	345,000
	<u>\$ 220,000</u>	<u>\$ 788,122</u>	<u>\$ 1,008,122</u>

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

During the year, the City transferred funds primarily to: (1) move unrestricted revenues from the general fund to finance activities of the public safety fund, parking fund, and other nonmajor funds; and (2) transfer resources to the capital improvements reserve fund to finance ongoing construction.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### 10. LONG-TERM DEBT

*General obligation bonds.* The City's general obligation bonds were used to finance remediation activities on land held for resale. General obligation bonds have been issued for governmental activities. The original amount of general obligation bonds issued for the items listed below was \$12,380,000.

General obligation bonds are direct obligations and 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. General obligation bonds currently outstanding are as follows:

Purpose	Fiscal Year Matures	Interest Rates	Original Amount	Amount
<b>Governmental activities</b>				
2016 Refunding	2031	2.02%-4.00%	\$ 12,380,000	\$ 6,945,000

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

Year	Governmental Activities	
	Principal	Interest
2023	\$ 655,000	\$ 237,079
2024	680,000	219,395
2025	710,000	200,082
2026	730,000	179,209
2027	760,000	156,652
2028-2031	3,410,000	344,627
	<u>\$ 6,945,000</u>	<u>\$ 1,337,044</u>

*Revenue bonds.* The City 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 joint venture (see Note 20), which manages and operates the related water and wastewater systems. The original amount of revenue bonds issued in the current and prior years was \$34,567,984.

Purpose	Fiscal Year Matures	Interest Rates	Original Amount	Amount
<b>Governmental activities</b>				
2003-C Water/Sewer (DWRf)	2024	2.50%	\$ 785,000	\$ 100,000
2003-D Water/Sewer (DWRf)	2024	2.50%	5,300,000	655,000
2004-B Water/Sewer (DWRf)	2025	2.125%	6,330,000	1,130,000
2007 Water/Sewer (DWRf)	2027	2.125%	298,702	103,702
2008 Water/Sewer (DWRf)	2029	2.50%	434,253	174,253
2009 Water/Sewer (DWRf)	2029	2.50%	140,029	69,029
2012 Water/Sewer (DWRf)	2034	2.50%	2,900,000	1,910,000
2013 Water/Sewer Refunding	2028	2.0 - 4.0%	7,490,000	1,320,000
2015 Water/Sewer (DWRf)	2035	2.50%	450,000	310,000
2016 Water/Sewer Refunding	2031	1.39 - 4.0%	10,440,000	6,210,000
			<u>\$ 34,567,984</u>	<u>\$ 11,981,984</u>

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

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

Year	Governmental Activities	
	Principal	Interest
2023	\$ 2,285,000	\$ 368,674
2024	2,360,000	291,674
2025	1,910,000	219,587
2026	1,585,000	156,755
2027	1,628,702	96,089
2028-2032	1,778,282	124,970
2033-2035	435,000	8,604
	<u>\$ 11,981,984</u>	<u>\$ 1,266,353</u>

*Notes from direct borrowings / placements - Installment purchase agreements.* The City enters into installment purchase agreements for equipment and related capital assets. The repayment on the Biltmore agreement direct borrowing is contingent upon certain future events occurring between now and fiscal year 2031. The primary contingency stipulated by the contract is the City's sale of the former Biltmore property. The City's direct borrowings outstanding at year-end are as follows:

Purpose	Fiscal Year Matures	Interest Rates	Original Amount	Amount
<b>Governmental activities</b>				
Biltmore agreement	2031	N/A	<u>\$ 340,000</u>	<u>\$ 340,000</u>

The City's direct borrowing of \$340,000 related to the Biltmore settlement agreement matures on December 31, 2030.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

*Changes in long-term debt.* Long-term debt activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Primary Government</b>					
<b>Governmental activities</b>					
General obligation bonds	\$ 7,580,000	\$ -	\$ (635,000)	\$ 6,945,000	\$ 655,000
Revenue bonds	14,201,984	-	(2,220,000)	11,981,984	2,285,000
Notes from direct borrowings/ placements -					
Direct borrowings	340,000	-	-	340,000	-
Deferred amounts for -					
Issuance premium	763,276	-	(153,479)	609,797	153,479
Compensated absences	927,143	524,880	(456,944)	995,079	400,000
<b>Total primary government</b>	<u>\$ 23,812,403</u>	<u>\$ 524,880</u>	<u>\$ (3,465,423)</u>	<u>\$ 20,871,860</u>	<u>\$ 3,493,479</u>

For the governmental activities, compensated absences are generally liquidated by the general fund.

Component unit general obligation bonds outstanding for the year ended June 30, 2022 were as follows:

Component Units	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>General obligation bonds:</i>					
Downtown Development 2004-A	\$ 235,000	\$ -	\$ (75,000)	\$ 160,000	\$ 80,000

The general obligation bonds have interest rates of 4.35% to 4.60%. The principal and interest requirements to retire the general obligation bonds are as follows:

Year	Component Units	
	Principal	Interest
2023	\$ 80,000	\$ 7,360
2024	80,000	3,680
	<u>\$ 160,000</u>	<u>\$ 11,040</u>

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### 11. 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.

### 12. 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 2021 levy was \$357,431,161. The City's general operating tax rate for fiscal year 2022 was 17.6637 mills plus 2.5826 mills for sanitation, 1.9483 mills for streets, 0.9088 for public transportation, and 9.2361 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.

### 13. 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.

Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties. These agreements were entered into based upon the Brownfield Redevelopment Act, PA 381 of 1996, as amended. Under this Act, a municipality may create a brownfield redevelopment authority to develop and implement brownfield projects. Tax increment financing may be used as a tool for property redevelopment. The City's Brownfield redevelopment authority had no activity during fiscal year 2022.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### 14. RISK MANAGEMENT AND CONTINGENCIES

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

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

### 15. PENSION PLANS

#### Employees' Retirement System

##### *General Information About the Plan*

*Plan Description.* The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City 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. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at [www.mersofmich.com](http://www.mersofmich.com).

*Benefits Provided.* Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a 3 or 5 year period) and multipliers at 2.25%. 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, or age 55 with 15 years of service, depending on division/bargaining unit.

*Employees Covered by Benefit Terms.* At the December 31, 2021 valuation date, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	50
Inactive employees entitled to but not yet receiving benefits	48
Active employees	<u>42</u>
<b>Total membership</b>	<b><u><u>140</u></u></b>

*Contributions.* The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In addition, the employer may establish contribution rates to be paid by its covered employees.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

Employer and employee contribution amounts or rates, by division/bargaining unit, were as follows for the year ended June 30, 2022:

Division/Bargaining Unit	Employer Contribution	Employee Contribution	Status
01 - General	N/A	5.00%	Closed
10 - GnrI AFSCME	N/A	5.00%	Closed
11 - GnrI Dspth	N/A	10.00%	Open
14 - Cty Mgr	N/A	0.00%	Closed
16 - AFSCME after 7/1/2010	\$3,004/month	5.00%	Open
17 - Non-Union after 1/1/2013	\$5,277/month	5.00%	Open

*Net Pension Asset.* The City's net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00% in the long-term
Investment rate of return	7.00%, net of investment and administrative expense including inflation

The base mortality tables used are constructed as described below and are based on are amount weighted sex distinct rates:

- Pre-retirement mortality based on 100% of Pub-2010 Juvenile Mortality Tables for ages 0-17, 100% of PubG-2010 Employee Mortality Tables for Ages 18-80, and 100% of PubG-2010 Healthy Retiree Tables for ages 81-120
- Non-disabled retired plan members and beneficiaries mortality based on 106% of Pub-2010 Juvenile Mortality Tables for ages 0-17, 106% of PubG-2010 Employee Mortality Tables for Ages 18-49, and 106% of PubG-2010 Healthy Retiree Tables for ages 50-120
- Disables retired plan members mortality based on 100% of Pub-2010 Juvenile Mortality Tables for ages 0-17, and 100% of PubNS-2010 Disabled Retiree Tables for ages 18-120

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of the most recent actuarial experience study of 2014-2018.

## CITY OF YPSILANTI, MICHIGAN

### Notes to Financial Statements

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money- Weighted Rate of Return
Global equity	60.0%	4.50%	2.70%
Global fixed income	20.0%	2.00%	0.40%
Private investments	<u>20.0%</u>	7.00%	1.40%
	<u>100.0%</u>		
Inflation			2.50%
Administrative expenses netted above			<u>0.25%</u>
<b>Investment rate of return</b>			<u><u>7.25%</u></u>

*Discount Rate.* The discount rate used to measure the total pension liability as of December 31, 2021 was 7.25% (down from 7.60% at December 31, 2020). The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## CITY OF YPSILANTI, MICHIGAN

### Notes to Financial Statements

#### *Changes in Net Pension Asset*

The components of the change in the net pension asset are summarized as follows:

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Asset (a) - (b)</b>
Balances at December 31, 2020	\$ 16,287,564	\$ 20,968,334	\$ (4,680,770)
Changes for the year:			
Service cost	256,701	-	256,701
Interest	1,208,229	-	1,208,229
Differences between expected and actual experience	188,185	-	188,185
Changes in assumptions	620,728	-	620,728
Employer contributions	-	65,044	(65,044)
Employee contributions	-	117,817	(117,817)
Net investment income	-	2,921,257	(2,921,257)
Benefit payments, including refunds of employee contributions	(1,036,343)	(1,036,343)	-
Administrative expense	-	(33,512)	33,512
Other changes	-	(75)	75
Net changes	<u>1,237,500</u>	<u>2,034,188</u>	<u>(796,688)</u>
<b>Balances at December 31, 2021</b>	<u>\$ 17,525,064</u>	<u>\$ 23,002,522</u>	<u>\$ (5,477,458)</u>

*Changes in assumptions.* In 2022, amounts reported as changes of assumptions resulted from a decrease in the assumed rate of return from 7.35% to 7.00%.

## CITY OF YPSILANTI, MICHIGAN

### Notes to Financial Statements

*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 7.25%, as well as what the City's net pension asset would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate:

1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
\$ (3,477,058)	\$ (5,477,458)	\$ (7,156,885)

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

#### ***Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions***

For the year ended June 30, 2022, the City recognized pension expense of \$(257,346). The City reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 125,457	\$ -	\$ 125,457
Changes in assumptions	413,819	-	413,819
Net difference between projected and actual earnings on pension plan investments	-	1,645,387	(1,645,387)
	539,276	1,645,387	(1,106,111)
Contributions subsequent to the measurement date	51,646	-	51,646
<b>Total</b>	<b>\$ 590,922</b>	<b>\$ 1,645,387</b>	<b>\$ (1,054,465)</b>

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending June 30, 2023. Other amounts reported as deferred outflows/inflows of resources related to the pension will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2023	\$ 44,204
2024	(412,293)
2025	(465,749)
2026	(272,273)
<b>Total</b>	<b>\$ (1,106,111)</b>

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

*Payable to the Pension Plan.* At June 30, 2022, the City had no amounts payable for contributions to the pension plan.

For the governmental activities, the net pension asset is generally liquidated by the general fund.

### Police and Fire Pension System

#### *General Information About the Plan*

*Plan Administration.* The Police and Fire Retirement System is a single-employer defined benefit pension plan that is administered by the City 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 the City's financial report as a pension fiduciary component unit. Separate plan financial statements are also available for the System. Reports for the system can be obtained from the City's Finance Department, 1 South Huron Street, 4th Floor, Ypsilanti, MI 48197.

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.

*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:

Eligibility	Benefits
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.

## CITY OF YPSILANTI, MICHIGAN

### Notes to Financial Statements

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

Management of the System is vested in the Retirement Board of the City 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.

*Employees Covered by Benefit Terms.* At the June 30, 2021 valuation date, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	123
Inactive employees entitled to but not yet receiving benefits	3
Active employees	<u>42</u>
<b>Total membership</b>	<b><u><u>168</u></u></b>

*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 67.42% of covered payroll.

*Actuarial assumptions.* The total pension liability was determined by an actuarial valuation as of June 30, 2021 (rolled forward to June 30, 2022), using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	3.0% - 8.5%, 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 2018 valuation
Mortality rate	PubS-2010 Health Retiree Mortality Table for males and females with fully generational projection using MP-2018

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2010 through June 30, 2017.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

*Deferred Retirement Option Program (DROP).* In lieu of retiring and receiving a monthly benefit, an eligible participant may elect to participate in the DROP by making an irrevocable election to terminate employment with the City and retire upon ceasing participation in the DROP. The DROP election must specify the future retirement date which must be within the maximum time period permitted (typically 3 to 5 years, based on bargaining unit and hire date). Upon entry in the DROP, the participant ceases to accrue years of service in the defined benefit pension plan. The participant remains an employee of the City for all other purposes, but the retirement benefit payment is calculated, and payments commence into a separate, restricted account. These monthly payments, along with interest earnings thereon, are not distributed to the participant until employment has terminated. DROP activity for the fiscal year ended June 30, 2022 is as follows:

Beginning balance	\$ 1,982,186
Credits	236,720
Interest	84,872
Distributions	(385,835)
Adjustments	(2,621)
Ending Balance	<u>\$ 1,915,322</u>

*Long-term expected rate of return.* The long-term expected rate of return on pension System 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.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	50.0%	7.67%
Domestic fixed income	15.0%	4.80%
International equity	33.0%	7.20%
Money market funds	2.0%	2.30%
	<u>100.0%</u>	

*Discount rate.* A single discount rate of 7.0% was used to measure the total pension liability. The single discount rate was based on an expected rate of return on pension plan investments of 7.0%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all 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 Financial Statements

### *Changes in the Net Pension Liability*

The components of the change in the net pension liability are summarized as follows:

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
Balances at June 30, 2021	\$ 50,246,876	\$ 30,932,358	\$ 19,314,518
Changes for the year:			
Service cost	565,008	-	565,008
Interest	3,388,376	-	3,388,376
Differences between expected and actual experience	139,744	-	139,744
Employer contributions	-	2,302,615	(2,302,615)
Employee contributions	-	244,899	(244,899)
Net investment loss	-	(4,837,681)	4,837,681
Benefit payments, including refunds of employee contributions	(4,248,026)	(4,248,026)	-
Administrative expense	-	(65,308)	65,308
Net changes	<u>(154,898)</u>	<u>(6,603,501)</u>	<u>6,448,603</u>
<b>Balances at June 30, 2022</b>	<u>\$ 50,091,978</u>	<u>\$ 24,328,857</u>	<u>\$ 25,763,121</u>

*Sensitivity of the net pension liability to changes in the discount rate.* Below is a table providing the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the plan's net pension liability if it were calculated using a single discount rate that is 1% lower or 1% higher than the single discount rate:

	<b>1% Decrease (6.0%)</b>	<b>Current Single Discount Rate (7.0%)</b>	<b>1% Increase (8.0%)</b>
Plan net pension liability	\$ 31,572,111	\$ 25,763,121	\$ 20,993,353

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### *Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions*

For the year ended June 30, 2022, the City recognized pension expense of \$2,137,499. At June 30, 2022, the City reported deferred inflows and outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 95,447	\$ 95,782	\$ (335)
Changes in assumptions	-	-	-
Net difference between projected and actual earnings on pension plan investments	<u>2,400,046</u>	<u>-</u>	<u>2,400,046</u>
<b>Total</b>	<u>\$ 2,495,493</u>	<u>\$ 95,782</u>	<u>\$ 2,399,711</u>

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

Year Ended June 30,	Amortization
2023	\$ 489,280
2024	361,768
2025	161,835
2026	<u>1,386,828</u>
	<u>\$ 2,399,711</u>

For governmental activities, the net pension liability is generally liquidated by the general fund.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### 16. OTHER POSTEMPLOYMENT BENEFITS

#### MERS RHFV Defined Benefit Other Postemployment Benefits Plan

##### *General Information About the Plan*

*Plan Administration.* The City provides postemployment healthcare benefits to substantially all full-time employees, hired prior to 2010, who retire from the City under one of its two pension plans. The extent of the cost of those benefits paid by the City are dependent upon a variety of factors including hire date, retirement date, years of service and bargaining unit. The plan is treated as a single-employer defined benefit healthcare plan administered by the City; the plan utilizes a retirement health funding vehicle trust established with the Municipal Employees Retirement System of Michigan to invest plan assets. The plan was adopted and established by action of the City Council. The plan is reported as an other employee benefit trust fund in the accompanying financial statements. The plan does not issue a separate or stand-alone report.

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

*Plan Membership.* At the June 30, 2022 valuation date, OPEB Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	151
Inactive plan members entitled to but not yet receiving benefit payments	7
Active plan members	<u>30</u>
<b>Total membership</b>	<u><u>188</u></u>

*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.

*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.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### Investments

As permitted under the Public Employees Health Care Funds Public Act 149 of 1999, the City Council established a Public Employee Health Care Fund by adoption of a resolution. That resolution provides for the Michigan Employee's Retirement System (MERS) to act as Retiree Health Funding Vehicle (RHFV) Investment Fiduciary and Trustee. The City funds the RHFV Trust sub-fund to provide for health care benefits for eligible employees that qualify for such benefits as approved by the City Council and applicable collective bargaining agreements. The resolution also directs the Finance Director of the City to be its RHFV coordinator, which gives that person the authority to direct payment of fund monies to eligible employees, make investment allocations of the sub trust fund within MERS-approved portfolios and, in general, act on behalf of the City as it relates to the administrative duties relating to the fund. The City invests in the MERS Total Market Portfolio which is a diversified portfolio with the objective of providing current income and capital appreciation while minimizing the volatility of capital markets.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global fixed income	20.0%	2.40%	0.48%
Global equity	60.0%	4.95%	2.97%
Private markets	20.0%	7.00%	1.40%
	<u>100.0%</u>		
Inflation			2.50%
Risk factor adjustment			-0.50%
<b>Investment rate of return</b>			<b>6.85%</b>

The long-term expected rate of return on other postemployment benefit plan investments is 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 other postemployment benefit plan's target asset allocation as of June 30, 2022 have not been formally adopted but are closely monitored by the Board of Trustees.

*Discount Rate.* A single discount rate of 6.85% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 6.85%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

*Actuarial Assumptions.* The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age normal
Investment rate of return	6.85%
Projected salary increases	3.5%
Retirement age	Graded by age and service
Healthcare cost trend rates	6.35% in 2022, grading to 4.5% in 2030

Although no specific price inflation assumptions are needed for the valuation, the 3.5% long-term wage inflation assumption would be consistent with a price inflation of 3%-4%.

Mortality rates were according to the Pub-2010 base rates projected fully generationally with scale MP2021. Public Safety rate were assumed for Police and Firefighters and General rates were assumed for all others.

### *Changes in Net OPEB Liability*

The components of the change in the net OPEB liability are summarized as follows:

	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a) - (b)</b>
Balances at June 30, 2021	\$ 22,237,332	\$ 9,923,614	\$ 12,313,718
Changes for the year:			
Service cost	163,066	-	163,066
Interest	1,516,680	-	1,516,680
Differences between expected and actual experience	(5,639,579)	-	(5,639,579)
Changes in assumptions	203,608	-	203,608
Employer contributions	-	1,260,625	(1,260,625)
Net investment loss	-	(888,520)	888,520
Benefit payments, including refunds of employee contributions	(1,140,963)	(1,140,963)	-
Net changes	<u>(4,897,188)</u>	<u>(768,858)</u>	<u>(4,128,330)</u>
<b>Balances at June 30, 2022</b>	<u>\$ 17,340,144</u>	<u>\$ 9,154,756</u>	<u>\$ 8,185,388</u>

## CITY OF YPSILANTI, MICHIGAN

### Notes to Financial Statements

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.* The following presents the net OPEB liability of the City, calculated using the discount rate of 6.85%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (5.85%) or 1% higher (7.85%) than the current rate:

	1% Decrease (5.85%)	Current Discount Rate (6.85%)	1% Increase (7.85%)
Plan net OPEB liability	\$ 15,241,307	\$ 8,185,388	\$ 9,927,633

*Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates.* The following presents the net OPEB liability of the City, calculated using the healthcare cost trend rate of 6.35% decreasing to 4.50%, as well as what the City's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower (5.35% decreasing to 3.5%) or 1% higher (7.35% decreasing to 5.50%) than the current rate:

	1% Decrease (5.35% graded down to 3.5%)	Current Healthcare Cost Trend Rate (6.35% graded down to 4.5%)	1% Increase (7.35% graded down to 5.5%)
Plan net OPEB liability	\$ 6,595,102	\$ 8,185,388	\$ 10,115,220

#### ***OPEB Expense and Deferred Outflows of Resources Related to OPEB***

For the year ended June 30, 2023, the City recognized OPEB expense of \$4,177,580. The City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	<u>\$ 869,472</u>

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

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

Year Ended June 30,	Amortization
2023	\$ 244,789
2024	189,583
2025	120,621
2026	<u>314,479</u>
<b>Total</b>	<b><u>\$ 869,472</u></b>

*Payable to the OPEB Plan.* At June 30, 2022, the City had no amounts payable for contributions to the OPEB plan.

For the governmental activities, the net OPEB liability is generally liquidated by the general fund.

### 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, 2022, the City contributed \$157,182 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.

**CITY OF YPSILANTI, MICHIGAN**

**Notes to Financial Statements**

**17. NET INVESTMENT IN CAPITAL ASSETS**

Following is a summary of net investment in capital assets, as presented in the government-wide statement of net position:

	<b>Governmental Activities</b>	<b>Component Units</b>
Capital assets:		
Capital assets not being depreciated	\$ 2,210,350	\$ 53,200
Capital assets being depreciated, net	<u>13,042,887</u>	<u>193,464</u>
	15,253,237	246,664
 Less: long-term liabilities -		
Direct borrowings	<u>340,000</u>	<u>-</u>
 <b>Net investment in capital assets</b>	 <u><u>\$ 14,913,237</u></u>	 <u><u>\$ 246,664</u></u>

The general obligation bonds were used to finance remediation activities on land held for resale. The DWRF revenue bonds' proceeds were contributed to the Ypsilanti Community Utilities Authority for various water and sewer improvements and construction on its infrastructure (see Note 20).

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### 18. FUND BALANCES

Following is a summary of the components of fund balances of the governmental funds as of June 30, 2022:

	General	Major Streets	Nonmajor Governmental Funds	Total
<b>Nonspendable</b>				
Inventories	\$ 233,980	\$ -	\$ -	\$ 233,980
Land held for resale	11,110	-	-	11,110
Prepaid items	99,938	-	1,645	101,583
	<u>345,028</u>	<u>-</u>	<u>1,645</u>	<u>346,673</u>
<b>Restricted</b>				
Highways and streets	-	3,924,761	1,702,820	5,627,581
Public safety	-	-	281,047	281,047
Public works	-	-	34,218	34,218
Public transportation	-	-	7,152	7,152
Debt service	-	-	835,098	835,098
Land held for resale	-	-	1,150,450	1,150,450
	<u>-</u>	<u>3,924,761</u>	<u>4,010,785</u>	<u>7,935,546</u>
<b>Committed</b>				
Active employees cumulative benefits	995,079	-	-	995,079
Energy efficiency conservation project	507,580	-	-	507,580
Peninsular dam	500,000	-	-	500,000
Train stop project	2,000,000	-	-	2,000,000
Social equity	49,000	-	-	49,000
Capital projects	-	-	2,254,216	2,254,216
	<u>4,051,659</u>	<u>-</u>	<u>2,254,216</u>	<u>6,305,875</u>
<b>Unassigned</b>				
	<u>5,643,763</u>	<u>-</u>	<u>-</u>	<u>5,643,763</u>
<b>Total fund balance</b>	<u>\$ 10,040,450</u>	<u>\$ 3,924,761</u>	<u>\$ 6,266,646</u>	<u>\$ 20,231,857</u>

## CITY OF YPSILANTI, MICHIGAN

### Notes to Financial Statements

#### 19. 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 has issued a request for proposals to sell the property for development.

#### 20. 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 notes receivable on its government-wide statement of net position for the principal balance of the bonds drawn to date by YCUA, which is reported net of fund balance amounts in the related debt service funds maintained by the City.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Financial Statements

### 21. COMBINING FINANCIAL INFORMATION - PENSION AND OTHER POSTEMPLOYMENT TRUST FUNDS

Financial statements for pension and other postemployment benefits trust funds are as follows:

	Pension and Other Postemployment Benefits Trust Funds Net Position		
	Police and Fire Employees' Retirement System Pension Trust Fund	Other Post- employment Benefits Trust Fund	Total
<b>Assets</b>			
Pooled cash and investments	\$ 915,223	\$ 160,419	\$ 1,075,642
Investments, at fair value:			
U.S. treasuries	395,761	-	395,761
U.S. agencies (asset backed)	2,242,266	-	2,242,266
Corporate bonds	3,443,705	-	3,443,705
Domestic equities	14,446,242	-	14,446,242
International equities	2,369,064	-	2,369,064
International mutual funds	1,501,834	-	1,501,834
Real estate investment trusts	232,997	-	232,997
MERS retiree health funding vehicle	-	8,940,349	8,940,349
Money market accounts	700,019	-	700,019
Due from other governments	-	7,650	7,650
Prepaid items	-	46,338	46,338
<b>Total assets</b>	<b>26,247,111</b>	<b>9,154,756</b>	<b>35,401,867</b>
<b>Liabilities</b>			
Benefits payable	1,918,254	-	1,918,254
<b>Net position</b>			
Restricted for:			
Pension benefits	24,328,857	-	24,328,857
Other postemployment benefits	-	9,154,756	9,154,756
<b>Total Net Position</b>	<b>\$ 24,328,857</b>	<b>\$ 9,154,756</b>	<b>\$ 33,483,613</b>

CITY OF YPSILANTI, MICHIGAN

Notes to Financial Statements

	Changes in Pension and Other Postemployment Benefits Net Position		
	Police and Fire Employees' Retirement System Pension Trust Fund	Other Post-employment Benefits Trust Fund	Total
<b>Additions</b>			
Contributions:			
Employer	\$ 2,302,615	\$ -	\$ 2,302,615
Plan members	244,899	-	244,899
Other postemployment	-	1,260,625	1,260,625
Total contributions	<u>2,547,514</u>	<u>1,260,625</u>	<u>3,808,139</u>
Investment income (loss):			
Net change in fair value of investments	(5,257,595)	(890,753)	(6,148,348)
Interest	598,538	2,233	600,771
Total investment income (loss)	<u>(4,659,057)</u>	<u>(888,520)</u>	<u>(5,547,577)</u>
Less: investment expense	<u>(178,624)</u>	-	<u>(178,624)</u>
Net investment loss	<u>(4,837,681)</u>	<u>(888,520)</u>	<u>(5,726,201)</u>
<b>Total additions</b>	<u>(2,290,167)</u>	<u>372,105</u>	<u>(1,918,062)</u>
<b>Deductions</b>			
Benefits	3,835,814	1,140,963	4,976,777
Refunds	412,211	-	412,211
Administration	65,308	-	65,308
<b>Total deductions</b>	<u>4,313,333</u>	<u>1,140,963</u>	<u>5,454,296</u>
<b>Change in net position</b>	<u>(6,603,500)</u>	<u>(768,858)</u>	<u>(7,372,358)</u>
Net position, beginning of year	<u>30,932,357</u>	<u>9,923,614</u>	<u>40,855,971</u>
<b>Net position, end of year</b>	<u>\$ 24,328,857</u>	<u>\$ 9,154,756</u>	<u>\$ 33,483,613</u>

22. CORONAVIRUS (COVID-19)

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. While the pandemic has resulted in an increase in the demands on the City for providing emergency services to its citizens, the Federal Government has also provided significant resources to help mitigate the impacts of COVID-19. Over the past two years, the City has been awarded funds from various sources to respond to the impacts of the COVID-19 pandemic including approximately \$2.1 million received through the Coronavirus State and Local Fiscal Recovery Fund has been reported as unearned revenue and is available to spend in future years. At this time, management does not believe that any ongoing negative financial impact related to the pandemic, if any, would be material to the City.



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**REQUIRED SUPPLEMENTARY INFORMATION**

## CITY OF YPSILANTI, MICHIGAN

### Required Supplementary Information

#### Employees' Retirement System

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

	Fiscal Year Ended June 30,			
	2022	2021	2020	2019
<b>Change in total pension liability</b>				
Service cost	\$ 256,701	\$ 234,003	\$ 234,864	\$ 235,814
Interest	1,208,229	1,169,372	1,103,826	1,136,153
Differences between expected and actual experience	188,185	(350,087)	37,507	(80,784)
Changes of assumptions	620,728	482,752	462,057	-
Benefit payments, including refunds of member contributions	(1,036,343)	(1,027,097)	(1,031,038)	(906,156)
Other	-	(8,803)	58,096	-
<b>Net change in total pension liability</b>	<u>1,237,500</u>	<u>500,140</u>	<u>865,312</u>	<u>385,027</u>
<b>Total pension liability, beginning</b>	<u>16,287,564</u>	<u>15,787,424</u>	<u>14,922,112</u>	<u>14,537,085</u>
<b>Total pension liability, ending (a)</b>	<u>17,525,064</u>	<u>16,287,564</u>	<u>15,787,424</u>	<u>14,922,112</u>
<b>Change in plan fiduciary net position</b>				
Contributions - employer	65,044	43,253	32,835	33,752
Contributions - employee	117,817	103,080	100,383	107,886
Net investment income (loss)	2,921,257	2,412,858	2,413,922	(749,695)
Benefit payments, including refunds of member contributions	(1,036,343)	(1,027,097)	(1,031,038)	(906,156)
Administrative expense and other changes	(33,587)	(47,534)	(41,568)	(37,602)
<b>Net change in plan fiduciary net position</b>	<u>2,034,188</u>	<u>1,484,560</u>	<u>1,474,534</u>	<u>(1,551,815)</u>
<b>Plan fiduciary net position, beginning</b>	<u>20,968,334</u>	<u>19,483,774</u>	<u>18,009,240</u>	<u>19,561,055</u>
<b>Plan fiduciary net position, ending (b)</b>	<u>23,002,522</u>	<u>20,968,334</u>	<u>19,483,774</u>	<u>18,009,240</u>
<b>City's net pension asset, ending (a)-(b)</b>	<u>\$ (5,477,458)</u>	<u>\$ (4,680,770)</u>	<u>\$ (3,696,350)</u>	<u>\$ (3,087,128)</u>
Plan fiduciary net position as a percentage of the total pension liability	131.25%	128.74%	123.41%	120.69%
Covered payroll	\$ 2,260,273	\$ 2,045,964	\$ 2,037,810	\$ 2,031,338
City's net pension asset as a percentage of covered payroll	-242.34%	-228.78%	-181.39%	-151.98%

See notes to required supplementary information.



<b>Fiscal Year Ended June 30,</b>			
<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 260,883	\$ 270,060	\$ 297,939	\$ 261,667
1,114,331	1,130,555	1,026,796	1,018,946
(231,608)	(769,105)	27,391	-
-	-	758,423	-
(810,433)	(849,021)	(814,387)	(814,923)
-	-	32,088	-
<u>333,173</u>	<u>(217,511)</u>	<u>1,328,250</u>	<u>465,690</u>
<u>14,203,912</u>	<u>14,421,423</u>	<u>13,093,173</u>	<u>12,627,483</u>
<u>14,537,085</u>	<u>14,203,912</u>	<u>14,421,423</u>	<u>13,093,173</u>
38,443	37,997	16,098	-
112,810	120,245	118,023	109,007
2,348,356	1,886,365	(260,995)	1,089,980
(810,433)	(849,021)	(814,387)	(814,923)
(37,212)	(37,254)	(38,466)	(39,926)
<u>1,651,964</u>	<u>1,158,332</u>	<u>(979,727)</u>	<u>344,138</u>
<u>17,909,091</u>	<u>16,750,759</u>	<u>17,730,486</u>	<u>17,386,348</u>
<u>19,561,055</u>	<u>17,909,091</u>	<u>16,750,759</u>	<u>17,730,486</u>
<u>\$ (5,023,970)</u>	<u>\$ (3,705,179)</u>	<u>\$ (2,329,336)</u>	<u>\$ (4,637,313)</u>
134.56%	126.09%	116.15%	135.42%
\$ 2,202,714	\$ 2,263,584	\$ 2,440,537	\$ 2,116,057
-228.08%	-163.69%	-95.44%	-219.15%

## CITY OF YPSILANTI, MICHIGAN

### Required Supplementary Information

Police and Fire Pension Plan

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

	Fiscal Year Ended June 30,			
	2022	2021	2020	2019
<b>Change in total pension liability</b>				
Service cost	\$ 565,008	\$ 566,096	\$ 513,082	\$ 427,454
Interest	3,388,376	3,415,305	3,382,970	3,401,642
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	139,744	(263,557)	79,724	(46,777)
Changes of assumptions	-	-	419,434	3,049,619
Benefit payments, including refunds of member contributions	(4,248,026)	(3,955,990)	(3,963,579)	(3,840,067)
<b>Net change in total pension liability</b>	<u>(154,898)</u>	<u>(238,146)</u>	<u>431,631</u>	<u>2,991,871</u>
<b>Total pension liability, beginning</b>	<u>50,246,876</u>	<u>50,485,022</u>	<u>50,053,391</u>	<u>47,061,520</u>
<b>Total pension liability, ending (a)</b>	<u>50,091,978</u>	<u>50,246,876</u>	<u>50,485,022</u>	<u>50,053,391</u>
<b>Change in plan fiduciary net position</b>				
Contributions - employer	2,302,615	2,493,821	2,026,131	1,517,865
Contributions - employee	244,899	239,284	218,505	200,724
Net investment income (loss)	(4,837,681)	7,821,980	843,733	923,634
Benefit payments, including refunds of member contributions	(4,248,026)	(3,955,990)	(3,963,579)	(3,840,067)
Administrative expense	(65,308)	(63,529)	(63,035)	(68,881)
<b>Net change in plan fiduciary net position</b>	<u>(6,603,501)</u>	<u>6,535,566</u>	<u>(938,245)</u>	<u>(1,266,725)</u>
<b>Plan fiduciary net position, beginning</b>	<u>30,932,358</u>	<u>24,396,792</u>	<u>25,335,037</u>	<u>26,601,762</u>
<b>Plan fiduciary net position, ending (b)</b>	<u>24,328,857</u>	<u>30,932,358</u>	<u>24,396,792</u>	<u>25,335,037</u>
<b>City's net pension liability, ending (a)-(b)</b>	<u>\$ 25,763,121</u>	<u>\$ 19,314,518</u>	<u>\$ 26,088,230</u>	<u>\$ 24,718,354</u>
Plan fiduciary net position as a percentage of the total pension liability	48.57%	61.56%	48.32%	50.62%
Covered payroll	\$ 3,306,874	\$ 3,204,912	\$ 3,171,434	\$ 2,794,588
City's net pension liability as a percentage of covered payroll	779.08%	602.65%	822.60%	884.51%

See notes to required supplementary information.



Fiscal Year Ended June 30,				
2018	2017	2016	2015	2014
\$ 410,415	\$ 483,184	\$ 624,175	\$ 767,076	\$ 417,399
3,329,509	3,334,772	3,377,822	3,248,978	3,244,001
-	-	-	-	88,956
989,272	297,192	-	481,589	(212,827)
-	-	-	1,407,285	(203,836)
<u>(3,711,871)</u>	<u>(4,585,964)</u>	<u>(4,425,057)</u>	<u>(3,806,050)</u>	<u>(3,078,288)</u>
1,017,325	(470,816)	(423,060)	2,098,878	255,405
<u>46,044,195</u>	<u>46,515,011</u>	<u>46,938,071</u>	<u>44,839,193</u>	<u>44,583,788</u>
<u>47,061,520</u>	<u>46,044,195</u>	<u>46,515,011</u>	<u>46,938,071</u>	<u>44,839,193</u>
1,466,261	1,355,989	1,240,657	1,395,423	1,358,167
171,520	208,502	234,471	274,671	275,422
2,087,588	2,619,925	(253,617)	1,002,019	4,982,234
-	-	-	-	-
(3,711,871)	(4,585,964)	(4,425,057)	(3,806,050)	(3,078,288)
<u>(70,982)</u>	<u>(72,546)</u>	<u>(67,345)</u>	<u>(59,069)</u>	<u>(60,012)</u>
(57,484)	(474,094)	(3,270,891)	(1,193,006)	3,477,523
<u>26,659,246</u>	<u>27,133,340</u>	<u>30,404,231</u>	<u>31,597,237</u>	<u>28,119,714</u>
<u>26,601,762</u>	<u>26,659,246</u>	<u>27,133,340</u>	<u>30,404,231</u>	<u>31,597,237</u>
<u>\$ 20,459,758</u>	<u>\$ 19,384,949</u>	<u>\$ 19,381,671</u>	<u>\$ 16,533,840</u>	<u>\$ 13,241,956</u>
56.53%	57.90%	58.33%	64.78%	70.47%
\$ 2,844,954	\$ 3,174,402	\$ 3,170,835	\$ 3,298,809	\$ 3,440,059
719.16%	610.66%	611.25%	501.21%	384.93%

# CITY OF YPSILANTI, MICHIGAN

## Required Supplementary Information

### Schedule of City Contributions

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
<b>Employees' Retirement System (MERS)</b>					
6/30/2022	\$ 87,859	\$ 87,859	\$ -	\$ 2,830,007	3.10%
6/30/2021	52,504	52,504	-	2,585,092	2.03%
6/30/2020	35,139	35,139	-	2,407,228	1.46%
6/30/2019	31,043	31,043	-	2,337,851	1.33%
6/30/2018	31,699	31,699	-	2,463,975	1.29%
6/30/2017	41,680	41,680	-	2,336,356	1.78%
6/30/2016	48,530	48,530	-	2,350,653	2.06%
6/30/2015	-	-	-	2,116,057	0.00%
<b>Police and Fire Pension</b>					
6/30/2022	\$ 2,302,615	\$ 2,302,615	\$ -	\$ 3,306,874	69.63%
6/30/2021	2,493,821	2,493,821	-	3,204,912	77.81%
6/30/2020	2,026,131	2,026,131	-	3,171,434	63.89%
6/30/2019	1,517,865	1,517,865	-	2,794,588	54.31%
6/30/2018	1,466,261	1,466,261	-	2,844,954	51.54%
6/30/2017	1,355,989	1,355,989	-	3,174,402	42.72%
6/30/2016	1,240,657	1,240,657	-	3,170,835	39.13%
6/30/2015	1,395,423	1,395,423	-	3,298,809	42.30%
6/30/2014	1,347,529	1,358,167	(10,638)	3,440,059	39.48%

See notes to required supplementary information.

# CITY OF YPSILANTI, MICHIGAN

## Required Supplementary Information

### Schedule of Investment Returns

<b>Fiscal Year Ended</b>	<b>Annual Money- Weighted Rate of Return, Net of Investment Expense</b>
<b>Police and Fire Pension</b>	
6/30/2022	-15.64%
6/30/2021	31.77%
6/30/2020	3.56%
6/30/2019	3.92%
6/30/2018	8.35%
6/30/2017	10.34%
6/30/2016	-27.00%
6/30/2015	3.70%
6/30/2014	19.22%

See notes to required supplementary information.

## CITY OF YPSILANTI, MICHIGAN

### Required Supplementary Information

#### Other Postemployment Benefits Plan

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

	Fiscal Year Ended June 30,			
	2022	2021	2020	2019
<b>Change in total OPEB liability</b>				
Service cost	\$ 163,066	\$ 172,980	\$ 342,439	\$ 367,312
Interest	1,516,680	1,487,319	1,761,197	1,699,532
Changes of benefit terms	-	-	(2,162,005)	-
Differences between expected and actual experience	(5,639,579)	(53,250)	(2,292,169)	225,529
Changes of assumptions	203,608	-	(249,307)	-
Benefit payments, including refunds of member contributions	(1,140,963)	(1,234,274)	(1,391,112)	(1,431,762)
<b>Net change in total OPEB liability</b>	<b>(4,897,188)</b>	<b>372,775</b>	<b>(3,990,957)</b>	<b>860,611</b>
<b>Total OPEB liability, beginning</b>	<b>22,237,332</b>	<b>21,864,557</b>	<b>25,855,514</b>	<b>24,994,903</b>
<b>Total OPEB liability, ending (a)</b>	<b>17,340,144</b>	<b>22,237,332</b>	<b>21,864,557</b>	<b>25,855,514</b>
<b>Change in plan fiduciary net position</b>				
Contributions - employer	1,260,625	1,924,115	1,614,933	1,457,080
Net investment income (loss)	(888,520)	1,511,790	174,251	218,970
Other revenue	-	20,722	-	-
Benefit payments, including refunds of member contributions	(1,140,963)	(1,234,274)	(1,391,112)	(1,431,762)
<b>Net change in plan fiduciary net position</b>	<b>(768,858)</b>	<b>2,222,353</b>	<b>398,072</b>	<b>244,288</b>
<b>Plan fiduciary net position, beginning</b>	<b>9,923,614</b>	<b>7,701,261</b>	<b>7,303,189</b>	<b>7,058,901</b>
<b>Plan fiduciary net position, ending (b)</b>	<b>9,154,756</b>	<b>9,923,614</b>	<b>7,701,261</b>	<b>7,303,189</b>
<b>City's net OPEB liability, ending (a)-(b)</b>	<b>\$ 8,185,388</b>	<b>\$ 12,313,718</b>	<b>\$ 14,163,296</b>	<b>\$ 18,552,325</b>
Plan fiduciary net position as a percentage of the total OPEB liability	52.80%	44.63%	35.22%	28.25%
Covered payroll	\$ 1,984,361	\$ 1,836,749	\$ 2,158,140	\$ 4,493,655
City's net OPEB liability as a percentage of covered payroll	412.49%	670.41%	656.27%	412.86%

See notes to required supplementary information.



Fiscal Year Ended June 30,	
2018	2017
\$ 331,725	\$ 272,161
1,389,225	1,344,933
-	-
(1,792,674)	388,347
4,358,987	3,631,280
<u>(1,330,100)</u>	<u>(1,063,766)</u>
2,957,163	4,572,955
<u>22,037,740</u>	<u>17,464,785</u>
<u>24,994,903</u>	<u>22,037,740</u>
1,579,641	1,392,235
396,722	398,295
-	-
<u>(1,330,100)</u>	<u>(1,063,766)</u>
646,263	726,764
<u>6,412,638</u>	<u>5,685,874</u>
<u>7,058,901</u>	<u>6,412,638</u>
<u>\$ 17,936,002</u>	<u>\$ 15,625,102</u>

28.24% 29.10%

\$ 4,341,696 \$ 4,499,309

413.11% 347.28%

## CITY OF YPSILANTI, MICHIGAN

### Required Supplementary Information

Other Postemployment Benefits Plan  
Schedule of City Contributions

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	\$ 1,134,804	\$ 1,260,625	\$ (125,821)	\$ 1,984,361	63.53%
2021	1,265,947	1,924,115	(658,168)	1,836,749	104.76%
2020	1,614,933	1,614,933	-	2,158,140	74.83%
2019	1,457,080	1,457,080	-	4,493,655	32.43%
2018	1,579,641	1,579,641	-	4,341,696	36.38%
2017	1,434,981	1,434,981	-	4,499,309	31.89%

See notes to required supplementary information.

# CITY OF YPSILANTI, MICHIGAN

## Notes to Required Supplementary Information

### Pension Information

GASB 67 was implemented in fiscal year 2014 for the Police and Fire Pension Plan, and GASB 68 in fiscal year 2015 for the Municipal Employees' Retirement System. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

### *Municipal Employees' Retirement System*

The significant changes in assumptions for each of the fiscal years ended June 30 were as follows:

- 2022: Amounts reported as changes of assumptions resulted from a decrease in the assumed rate of return from 7.35% to 7.00%.
- 2021: Amounts reported as changes of assumptions resulted primarily from updates to demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, disability, and termination rates.
- 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%.
- 2016: 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%.

### *Notes to Schedule of City Contributions - MERS*

Valuation date      December 31, 2019

Notes                      Actuarially determined contribution rates are calculated as of the December 31 that is 18 months prior to the beginning of the fiscal year in which contributions are reported.

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

Actuarial cost method:	Entry age normal
Amortization method:	Level percentage of payroll, open
Remaining amortization period:	19 years
Asset valuation method	5-year smoothed market
Inflation:	2.5%
Salary increases:	3.00% in the long-term
Investment rate of return:	7.35%, net of investment and administrative expense including inflation
Retirement age:	Age 60
Mortality rates	50% Female/50% Male blend of the RP-2014 Healthy Annuitant Mortality Tables with rates multiplied by 105%, the RP-2014 Employee Mortality Tables, and the RP-2014 Juvenile Mortality Tables

# CITY OF YPSILANTI, MICHIGAN

## Notes to Required Supplementary Information

### *Police and Fire Pension Plan*

The significant changes in assumptions for each of the fiscal years ended June 30 were as follows:

- 2020:  
The Plan experienced a change in actuarial assumptions that included an update to mortality tables used to measure the probabilities of members dying before retirement and the probabilities of each benefit payment being made after retirement.
- 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%.
- 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.
- 2014:  
The Plan implemented GASB Statement No. 67, resulting in a change in assumptions from those used previously under GASB Statement No. 25.

### *Notes to Schedule of City Contributions - Police and Fire*

Valuation date      June 30, 2020

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method:	Entry age
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	18 years for 2020 valuation
Asset valuation method	5-year smoothed market
Inflation:	2.5%
Salary increases:	3.0% - 8.5%, 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 2018 valuation
Mortality rates	PubS-2010 Health Retiree Mortality Table for males and females with fully generational projection using MP-2018

# CITY OF YPSILANTI, MICHIGAN

## Notes to Required Supplementary Information

### *OPEB Information*

GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

The significant changes in assumptions for each of the fiscal years ended June 30 were as follows:

- 2022: The discount rate was decreased from 7.0% to 6.85%. The mortality improvement scale was updated from MP2019 projected Fully Generationally to MP2021 projected Fully Generationally.
- 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.
- 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.
- 2017: The Plan implemented GASB Statement No. 74, resulting in a change in assumptions from those previously used under GASB Statement No. 45.

### *Notes to Schedule of City Contributions - OPEB*

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	100% of unfunded liability as a level dollar amount, closed
Remaining amortization period	30 years (25 years remaining)
Asset valuation method	Fair value
Healthcare cost trend rates	6.35% for 2021, decreasing 0.5% per year to an ultimate rate of 4.5% for 2030 and later years
Salary increases	3.50%
Investment rate of return	6.85%
Retirement age	Graded by age and service
Mortality rates	Probabilities of death for participants were according to the Pub-2010 base rates projected fully generationally with scale MP2020. Public Safety rate were assumed for Police and Firefighters and General rates were assumed for all others.
Expenses	Investment and other postemployment benefit plan administrative expenses are net of the investment returns

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

## CITY OF YPSILANTI, MICHIGAN

### Combining Balance Sheet

Nonmajor Governmental Funds  
June 30, 2022

	Special Revenue	Debt Service	Capital Projects	Totals
<b>Assets</b>				
Pooled cash and investments	\$ 1,971,248	\$ 14,314	\$ 3,138,526	\$ 5,124,088
Accounts receivable	1,260	4,169	-	5,429
Due from other governments	90,558	-	50,000	140,558
Land held for resale	-	-	1,150,450	1,150,450
Prepaid items	1,645	-	-	1,645
<b>Total assets</b>	<u>\$ 2,064,711</u>	<u>\$ 18,483</u>	<u>\$ 4,338,976</u>	<u>\$ 6,422,170</u>
<b>Liabilities</b>				
Accounts payable	\$ 21,738	\$ -	\$ 109,493	\$ 131,231
Accrued liabilities	9,260	-	111	9,371
Tax refunds payable	6,831	8,091	-	14,922
<b>Total liabilities</b>	<u>37,829</u>	<u>8,091</u>	<u>109,604</u>	<u>155,524</u>
<b>Fund balances</b>				
Nonspendable	1,645	-	-	1,645
Restricted	2,025,237	10,392	1,975,156	4,010,785
Committed	-	-	2,254,216	2,254,216
<b>Total fund balances</b>	<u>2,026,882</u>	<u>10,392</u>	<u>4,229,372</u>	<u>6,266,646</u>
<b>Total liabilities and fund balances</b>	<u>\$ 2,064,711</u>	<u>\$ 18,483</u>	<u>\$ 4,338,976</u>	<u>\$ 6,422,170</u>

## CITY OF YPSILANTI, MICHIGAN

### Combining Statement of Revenues, Expenditures,

and Changes in Fund Balances

Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2022

	Special Revenue	Debt Service	Capital Projects	Totals
<b>Revenues</b>				
Property taxes	\$ 1,201,482	\$ 694,761	\$ -	\$ 1,896,243
Intergovernmental	987,242	30,375	2,628,321	3,645,938
Charges for services	315,160	-	73,711	388,871
Investment income (loss)	(18,654)	4,655	(3,039)	(17,038)
Miscellaneous	126,343	-	-	126,343
<b>Total revenues</b>	<b>2,611,573</b>	<b>729,791</b>	<b>2,698,993</b>	<b>6,040,357</b>
<b>Expenditures</b>				
Current:				
General government	-	-	26,762	26,762
Public safety	1,600	-	159,963	161,563
Public works	1,592,658	-	134,199	1,726,857
Public transportation	300,545	-	-	300,545
Highways, streets, and bridges	476,175	-	-	476,175
Culture and recreation	-	-	97,301	97,301
Debt service:				
Principal	-	665,000	2,190,000	2,855,000
Interest and fiscal charges	-	254,874	438,321	693,195
<b>Total expenditures</b>	<b>2,370,978</b>	<b>919,874</b>	<b>3,046,546</b>	<b>6,337,398</b>
Revenues over (under) expenditures	240,595	(190,083)	(347,553)	(297,041)
<b>Other financing sources (uses)</b>				
Transfers in	219,349	192,465	376,308	788,122
Transfers out	(345,000)	-	-	(345,000)
<b>Total other financing sources (uses)</b>	<b>(125,651)</b>	<b>192,465</b>	<b>376,308</b>	<b>443,122</b>
<b>Net change in fund balances</b>	<b>114,944</b>	<b>2,382</b>	<b>28,755</b>	<b>146,081</b>
Fund balances, beginning of year	1,911,938	8,010	4,200,617	6,120,565
<b>Fund balances, end of year</b>	<b>\$ 2,026,882</b>	<b>\$ 10,392</b>	<b>\$ 4,229,372</b>	<b>\$ 6,266,646</b>

# CITY OF YPSILANTI, MICHIGAN

## Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2022

	Local Streets	Public Safety	Garbage and Rubbish Collection	Police
<b>Assets</b>				
Pooled cash and investments	\$ 1,625,599	\$ 211,727	\$ 18,775	\$ 64,874
Accounts receivable	1,260	-	-	-
Due from other governments	86,112	4,446	-	-
Prepaid items	-	-	-	-
<b>Total assets</b>	<u>\$ 1,712,971</u>	<u>\$ 216,173</u>	<u>\$ 18,775</u>	<u>\$ 64,874</u>
<b>Liabilities</b>				
Accounts payable	\$ 7,703	\$ -	\$ 8,503	\$ -
Accrued payroll	2,448	-	4,039	-
Tax refunds payable	-	-	5,053	-
<b>Total liabilities</b>	<u>10,151</u>	<u>-</u>	<u>17,595</u>	<u>-</u>
<b>Fund balances</b>				
Nonspendable	-	-	-	-
Restricted for:				
Highways and streets	1,702,820	-	-	-
Public safety	-	216,173	-	64,874
Public works	-	-	1,180	-
Public transportation	-	-	-	-
<b>Total fund balances</b>	<u>1,702,820</u>	<u>216,173</u>	<u>1,180</u>	<u>64,874</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,712,971</u>	<u>\$ 216,173</u>	<u>\$ 18,775</u>	<u>\$ 64,874</u>



Parking	Public Transportation	Totals
\$ 41,343	\$ 8,930	\$ 1,971,248
-	-	1,260
-	-	90,558
<u>1,645</u>	<u>-</u>	<u>1,645</u>
<u>\$ 42,988</u>	<u>\$ 8,930</u>	<u>\$ 2,064,711</u>
\$ 5,532	\$ -	\$ 21,738
2,773	-	9,260
-	1,778	6,831
<u>8,305</u>	<u>1,778</u>	<u>37,829</u>
1,645	-	1,645
-	-	1,702,820
-	-	281,047
33,038	-	34,218
-	7,152	7,152
<u>34,683</u>	<u>7,152</u>	<u>2,026,882</u>
<u>\$ 42,988</u>	<u>\$ 8,930</u>	<u>\$ 2,064,711</u>

concluded.

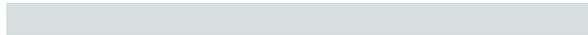
# CITY OF YPSILANTI, MICHIGAN

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

Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2022

	Local Streets	Public Safety	Garbage and Rubbish Collection	Police
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ 899,793	\$ -
Intergovernmental	551,569	435,673	-	-
Charges for services	3,100	-	-	-
Investment income (loss)	(18,821)	-	630	(677)
Miscellaneous	30,484	-	94,459	1,400
<b>Total revenues</b>	<b>566,332</b>	<b>435,673</b>	<b>994,882</b>	<b>723</b>
<b>Expenditures</b>				
Current:				
Public safety	-	1,400	-	200
Public works	-	-	1,179,222	-
Public transportation	-	-	-	-
Highways, streets, and bridges	476,175	-	-	-
<b>Total expenditures</b>	<b>476,175</b>	<b>1,400</b>	<b>1,179,222</b>	<b>200</b>
Revenues over (under) expenditures	90,157	434,273	(184,340)	523
<b>Other financing sources (uses)</b>				
Transfers in	-	-	139,349	-
Transfers out	-	(345,000)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(345,000)</b>	<b>139,349</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>90,157</b>	<b>89,273</b>	<b>(44,991)</b>	<b>523</b>
Fund balances, beginning of year	1,612,663	126,900	46,171	64,351
<b>Fund balances, end of year</b>	<b>\$ 1,702,820</b>	<b>\$ 216,173</b>	<b>\$ 1,180</b>	<b>\$ 64,874</b>



<b>Parking</b>	<b>Public Transportion</b>	<b>Totals</b>
\$ -	\$ 301,689	\$ 1,201,482
-	-	987,242
312,060	-	315,160
-	214	(18,654)
-	-	126,343
<u>312,060</u>	<u>301,903</u>	<u>2,611,573</u>
-	-	1,600
413,436	-	1,592,658
-	300,545	300,545
-	-	476,175
<u>413,436</u>	<u>300,545</u>	<u>2,370,978</u>
<u>(101,376)</u>	<u>1,358</u>	<u>240,595</u>
80,000	-	219,349
-	-	(345,000)
<u>80,000</u>	<u>-</u>	<u>(125,651)</u>
(21,376)	1,358	114,944
<u>56,059</u>	<u>5,794</u>	<u>1,911,938</u>
<u>\$ 34,683</u>	<u>\$ 7,152</u>	<u>\$ 2,026,882</u>

concluded.

**CITY OF YPSILANTI, MICHIGAN**

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

Local Streets Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2022

	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 513,488	\$ 551,569	\$ 38,081
Charges for services	4,500	3,100	(1,400)
Investment income (loss)	10,428	(18,821)	(29,249)
Miscellaneous	40,900	30,484	(10,416)
<b>Total revenues</b>	<u>569,316</u>	<u>566,332</u>	<u>(2,984)</u>
<b>Expenditures</b>			
Current -			
Highways, streets, and bridges:			
Street construction	33,806	57,332	23,526
Street maintenance	356,056	295,178	(60,878)
Traffic services	51,367	35,844	(15,523)
Winter maintenance	71,430	75,505	4,075
Administration	29,066	12,316	(16,750)
<b>Total expenditures</b>	<u>541,725</u>	<u>476,175</u>	<u>(65,550)</u>
<b>Net change in fund balance</b>	27,591	90,157	62,566
Fund balance, beginning of year	<u>1,612,663</u>	<u>1,612,663</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 1,640,254</u></u>	<u><u>\$ 1,702,820</u></u>	<u><u>\$ 62,566</u></u>

## CITY OF YPSILANTI, MICHIGAN

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

Public Safety Special Revenue Fund

For the Fiscal Year Ended June 30, 2022

	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 375,000	\$ 435,673	\$ 60,673
<b>Expenditures</b>			
Current -			
Public safety	1,400	1,400	-
Revenues over expenditures	373,600	434,273	60,673
<b>Other financing uses</b>			
Transfers out	(345,000)	(345,000)	-
<b>Net change in fund balance</b>	28,600	89,273	60,673
Fund balance, beginning of year	126,900	126,900	-
<b>Fund balance, end of year</b>	<u>\$ 155,500</u>	<u>\$ 216,173</u>	<u>\$ 60,673</u>

**CITY OF YPSILANTI, MICHIGAN**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Final Budget and Actual**  
 Garbage and Rubbish Collection Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2022

	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Property taxes	\$ 899,633	\$ 899,793	\$ 160
Investment income	1,757	630	(1,127)
Miscellaneous	94,949	94,459	(490)
<b>Total revenues</b>	996,339	994,882	(1,457)
<b>Expenditures</b>			
Current -			
Public works	1,178,859	1,179,222	363
Revenues under expenditures	(182,520)	(184,340)	(1,820)
<b>Other financing sources</b>			
Transfers in	139,349	139,349	-
<b>Net change in fund balance</b>	(43,171)	(44,991)	(1,820)
Fund balance, beginning of year	46,171	46,171	-
<b>Fund balance, end of year</b>	<u>\$ 3,000</u>	<u>\$ 1,180</u>	<u>\$ (1,820)</u>

**CITY OF YPSILANTI, MICHIGAN**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Final Budget and Actual**  
 Police Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2022

	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Investment income (loss)	\$ 432	\$ (677)	\$ (1,109)
Miscellaneous	1,400	1,400	-
<b>Total revenues</b>	1,832	723	(1,109)
<b>Expenditures</b>			
Current -			
Public safety	452	200	(252)
<b>Net change in fund balance</b>	1,380	523	(857)
Fund balance, beginning of year	64,351	64,351	-
<b>Fund balance, end of year</b>	<u>\$ 65,731</u>	<u>\$ 64,874</u>	<u>\$ (857)</u>

**CITY OF YPSILANTI, MICHIGAN**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Final Budget and Actual**  
 Parking Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2022

	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Charges for services	\$ 370,000	\$ 312,060	\$ (57,940)
<b>Expenditures</b>			
Current -			
Public works	500,448	413,436	(87,012)
Revenues under expenditures	(130,448)	(101,376)	29,072
<b>Other financing sources</b>			
Transfers in	80,000	80,000	-
<b>Net change in fund balance</b>	(50,448)	(21,376)	29,072
Fund balance, beginning of year	56,059	56,059	-
<b>Fund balance, end of year</b>	<u>\$ 5,611</u>	<u>\$ 34,683</u>	<u>\$ 29,072</u>

## CITY OF YPSILANTI, MICHIGAN

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

Public Transportation Special Revenue Fund

For the Fiscal Year Ended June 30, 2022

	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Property taxes	\$ 316,310	\$ 301,689	\$ (14,621)
Investment income	361	214	(147)
	<u>316,671</u>	<u>301,903</u>	<u>(14,768)</u>
<b>Total revenues</b>	316,671	301,903	(14,768)
<b>Expenditures</b>			
Current -			
Public transportation	313,606	300,545	(13,061)
	<u>313,606</u>	<u>300,545</u>	<u>(13,061)</u>
<b>Net change in fund balance</b>	3,065	1,358	(1,707)
Fund balance, beginning of year	5,794	5,794	-
	<u>5,794</u>	<u>5,794</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 8,859</u>	<u>\$ 7,152</u>	<u>\$ (1,707)</u>

# CITY OF YPSILANTI, MICHIGAN

## Combining Balance Sheet

Nonmajor Debt Service Funds

June 30, 2022

	2002-B Revenue Bonds	2016 Refunding Bonds Debt Service	2012 Refunding Bonds Debt Service	Totals
<b>Assets</b>				
Pooled cash and investments	\$ -	\$ -	\$ 14,314	\$ 14,314
Accounts receivable	-	4,169	-	4,169
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 4,169</u>	<u>\$ 14,314</u>	<u>\$ 18,483</u>
<b>Liabilities</b>				
Tax refunds payable	\$ -	\$ 3,740	\$ 4,351	\$ 8,091
<b>Fund balances</b>				
Restricted for debt service	-	429	9,963	10,392
<b>Total liabilities and fund balances</b>	<u>\$ -</u>	<u>\$ 4,169</u>	<u>\$ 14,314</u>	<u>\$ 18,483</u>

## CITY OF YPSILANTI, MICHIGAN

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

Nonmajor Debt Service Funds

For the Fiscal Year Ended June 30, 2022

	2002-B Revenue Bonds	2016 Refunding Bonds Debt Service	2012 Refunding Bonds Debt Service	Totals
<b>Revenues</b>				
Property taxes	\$ -	\$ 691,910	\$ 2,851	\$ 694,761
Intergovernmental	30,375	-	-	30,375
Investment income	-	4,645	10	4,655
<b>Total revenues</b>	<u>30,375</u>	<u>696,555</u>	<u>2,861</u>	<u>729,791</u>
<b>Expenditures</b>				
Debt service:				
Principal	30,000	635,000	-	665,000
Interest and fiscal charges	375	253,678	821	254,874
<b>Total expenditures</b>	<u>30,375</u>	<u>888,678</u>	<u>821</u>	<u>919,874</u>
Revenues over (under) expenditures	-	(192,123)	2,040	(190,083)
<b>Other financing sources</b>				
Transfers in	-	192,465	-	192,465
<b>Net change in fund balances</b>	-	342	2,040	2,382
Fund balances, beginning of year	-	87	7,923	8,010
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 429</u>	<u>\$ 9,963</u>	<u>\$ 10,392</u>

**CITY OF YPSILANTI, MICHIGAN**

**Combining Balance Sheet**  
 Nonmajor Capital Projects Funds  
 June 30, 2022

	Sidewalk Improvement	2003-D Water and Sewer	2004-B Water and Sewer	2003-C Water and Sewer	2006 General Obligation
<b>Assets</b>					
Pooled cash and investments	\$ 170,314	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-
Land held for resale	-	-	-	-	1,150,450
<b>Total assets</b>	<u>\$ 170,314</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,150,450</u>
<b>Liabilities</b>					
Accounts payable	\$ 16,589	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	111	-	-	-	-
<b>Total liabilities</b>	<u>16,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>					
Restricted	-	-	-	-	1,150,450
Committed	153,614	-	-	-	-
<b>Total fund balances</b>	<u>153,614</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,150,450</u>
<b>Total liabilities and fund balances</b>	<u>\$ 170,314</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	Capital Improvement Reserve
\$ -	\$ -	\$ -	\$ 839,999	\$ -	\$ 185	\$ 473,087
-	-	-	-	-	-	50,000
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 839,999</u>	<u>\$ -</u>	<u>\$ 185</u>	<u>\$ 523,087</u>
\$ -	\$ -	\$ -	\$ 15,293	\$ -	\$ 185	\$ 47,626
-	-	-	-	-	-	-
-	-	-	15,293	-	185	47,626
-	-	-	824,706	-	-	-
-	-	-	-	-	-	475,461
-	-	-	824,706	-	-	475,461
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 839,999</u>	<u>\$ -</u>	<u>\$ 185</u>	<u>\$ 523,087</u>

	<b>2013 Revenue Refunding Bonds</b>	<b>Totals</b>
<b>Assets</b>		
Pooled cash and investments	\$ 1,654,941	\$ 3,138,526
Due from other governments	-	50,000
Land held for resale	-	1,150,450
	<u>1,654,941</u>	<u>4,338,976</u>
<b>Total assets</b>	<u>\$ 1,654,941</u>	<u>\$ 4,338,976</u>
<b>Liabilities</b>		
Accounts payable	\$ 29,800	\$ 109,493
Accrued liabilities	-	111
	<u>29,800</u>	<u>109,604</u>
<b>Total liabilities</b>	<u>29,800</u>	<u>109,604</u>
<b>Fund balances</b>		
Restricted	-	1,975,156
Committed	1,625,141	2,254,216
	<u>1,625,141</u>	<u>4,229,372</u>
<b>Total fund balances</b>	<u>1,625,141</u>	<u>4,229,372</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,654,941</u>	<u>\$ 4,338,976</u>

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**CITY OF YPSILANTI, MICHIGAN**

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

Nonmajor Capital Projects Funds

For the Fiscal Year Ended June 30, 2022

	Sidewalk Improvement	2003-D Water and Sewer	2004-B Water and Sewer	2003-C Water and Sewer	2006 General Obligation
<b>Revenues</b>					
Intergovernmental	\$ -	\$ 335,313	\$ 387,838	\$ 48,063	\$ -
Charges for services	73,711	-	-	-	-
Investment loss	(1,657)	-	-	-	-
<b>Total revenues</b>	<u>72,054</u>	<u>335,313</u>	<u>387,838</u>	<u>48,063</u>	<u>-</u>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	134,199	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt service:					
Principal	-	315,000	360,000	45,000	-
Interest and fiscal charges	-	20,313	27,838	3,063	-
<b>Total expenditures</b>	<u>134,199</u>	<u>335,313</u>	<u>387,838</u>	<u>48,063</u>	<u>-</u>
Revenues under expenditures	<u>(62,145)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources</b>					
Transfers in	-	-	-	-	-
<b>Net change in fund balances</b>	<u>(62,145)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	<u>215,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,150,450</u>
<b>Fund balances, end of year</b>	<u>\$ 153,614</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	Capital Improvement Reserve
\$ 17,363	\$ 29,669	\$ 11,851	\$ 184,458	\$ 26,616	\$ 839,750	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	(1,382)
17,363	29,669	11,851	184,458	26,616	839,750	(1,382)
-	-	-	-	-	-	26,762
-	-	-	-	-	-	159,963
-	-	-	-	-	-	-
-	-	-	-	-	-	97,301
15,000	25,000	10,000	135,000	20,000	585,000	-
2,363	4,669	1,851	49,458	6,616	254,750	-
17,363	29,669	11,851	184,458	26,616	839,750	284,026
-	-	-	-	-	-	(285,408)
-	-	-	-	-	-	376,308
-	-	-	-	-	-	90,900
-	-	-	824,706	-	-	384,561
\$ -	\$ -	\$ -	\$ 824,706	\$ -	\$ -	\$ 475,461

	<b>2013 Revenue Refunding Bonds</b>	<b>Totals</b>
<b>Revenues</b>		
Intergovernmental	\$ 747,400	\$ 2,628,321
Charges for services	-	73,711
Investment loss	-	(3,039)
<b>Total revenues</b>	<u>747,400</u>	<u>2,698,993</u>
<b>Expenditures</b>		
Current:		
General government	-	26,762
Public safety	-	159,963
Public works	-	134,199
Culture and recreation	-	97,301
Debt service:		
Principal	680,000	2,190,000
Interest and fiscal charges	67,400	438,321
<b>Total expenditures</b>	<u>747,400</u>	<u>3,046,546</u>
Revenues under expenditures	-	(347,553)
<b>Other financing sources</b>		
Transfers in	-	376,308
<b>Net change in fund balances</b>	-	28,755
Fund balances, beginning of year	<u>1,625,141</u>	<u>4,200,617</u>
<b>Fund balances, end of year</b>	<u>\$ 1,625,141</u>	<u>\$ 4,229,372</u>

# CITY OF YPSILANTI, MICHIGAN

## Combining Statement of Net Position

Internal Service Funds

June 30, 2022

	Motor Pool	Workers' Compensation	Totals
<b>Assets</b>			
Current assets:			
Pooled cash and investments	\$ 1,059,065	\$ 338,058	\$ 1,397,123
Accounts receivable	167,803	-	167,803
Inventories	58,914	-	58,914
<b>Total current assets</b>	<b>1,285,782</b>	<b>338,058</b>	<b>1,623,840</b>
Noncurrent assets -			
Capital assets being depreciated, net	1,596,324	-	1,596,324
<b>Total assets</b>	<b>2,882,106</b>	<b>338,058</b>	<b>3,220,164</b>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	42,652	-	42,652
Accrued liabilities	2,091	-	2,091
<b>Total liabilities</b>	<b>44,743</b>	<b>-</b>	<b>44,743</b>
<b>Net position</b>			
Investment in capital assets	1,596,324	-	1,596,324
Unrestricted	1,241,039	338,058	1,579,097
<b>Total net position</b>	<b>\$ 2,837,363</b>	<b>\$ 338,058</b>	<b>\$ 3,175,421</b>

## CITY OF YPSILANTI, MICHIGAN

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

Internal Service Funds

For the Fiscal Year Ended June 30, 2022

	Motor Pool	Workers' Compensation	Totals
<b>Operating revenues</b>			
Charges for services	\$ 1,068,079	\$ 127,112	\$ 1,195,191
<b>Operating expenses</b>			
Salaries, taxes, and benefits	188,271	-	188,271
Gas, oil, and fuel	152,303	-	152,303
Operation and maintenance	149,807	-	149,807
Contractual services and fees	160,265	323	160,588
Insurance	87,627	-	87,627
Benefits and claim payments	-	279,209	279,209
Depreciation	361,977	-	361,977
<b>Total operating expenses</b>	<u>1,100,250</u>	<u>279,532</u>	<u>1,379,782</u>
Operating loss	<u>(32,171)</u>	<u>(152,420)</u>	<u>(184,591)</u>
<b>Nonoperating revenues (expense)</b>			
Investment loss	(7,340)	(3,381)	(10,721)
Gain on sale of capital assets	167,803	-	167,803
<b>Total nonoperating revenue (expense)</b>	<u>160,463</u>	<u>(3,381)</u>	<u>157,082</u>
<b>Change in net position</b>	128,292	(155,801)	(27,509)
Net position, beginning of year	<u>2,709,071</u>	<u>493,859</u>	<u>3,202,930</u>
<b>Net position, end of year</b>	<u>\$ 2,837,363</u>	<u>\$ 338,058</u>	<u>\$ 3,175,421</u>

## CITY OF YPSILANTI, MICHIGAN

### Combining Statement of Cash Flows

Internal Service Funds

For the Fiscal Year Ended June 30, 2022

	Motor Pool	Workers' Compensation	Totals
<b>Cash flows from operating activities</b>			
Receipts for interfund services provided	\$ 909,868	\$ 127,112	\$ 1,036,980
Payments to employees	(187,389)	-	(187,389)
Payments to vendors and claimants	(668,853)	(322,127)	(990,980)
<b>Net cash provided by (used in) operating activities</b>	<u>53,626</u>	<u>(195,015)</u>	<u>(141,389)</u>
<b>Cash flows from capital and related financing activities</b>			
Purchase of capital assets	(184,857)	-	(184,857)
Proceeds from sale of capital assets	167,803	-	167,803
<b>Net cash used in capital and related financing activities</b>	<u>(17,054)</u>	<u>-</u>	<u>(17,054)</u>
<b>Cash flows from investing activities</b>			
Interest received on investments	(7,340)	(3,381)	(10,721)
<b>Net change in pooled cash and investments</b>	29,232	(198,396)	(169,164)
Pooled cash and investments, beginning of year	1,029,833	536,454	1,566,287
<b>Pooled cash and investments, end of year</b>	<u>\$ 1,059,065</u>	<u>\$ 338,058</u>	<u>\$ 1,397,123</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>			
Operating loss	\$ (32,171)	\$ (152,420)	\$ (184,591)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation	361,977	-	361,977
Change in operating assets and liabilities that provided (used) cash:			
Accounts receivable	(158,211)	-	(158,211)
Inventories	(28,737)	-	(28,737)
Accounts payable	(90,114)	(42,595)	(132,709)
Accrued liabilities	882	-	882
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 53,626</u>	<u>\$ (195,015)</u>	<u>\$ (141,389)</u>

**CITY OF YPSILANTI, MICHIGAN**

**Balance Sheet / Statement of Net Position**

Downtown Development Authority Component Unit

June 30, 2022

	General	Capital Projects			
	Downtown Development Authority	Downtown Development Authority	Total	Adjustments	Statement of Net Position
<b>Assets</b>					
Pooled cash and investments	\$ 343,671	\$ -	\$ 343,671	\$ -	\$ 343,671
<b>Liabilities</b>					
Accounts payable	\$ 4,554	\$ -	\$ 4,554	-	4,554
Accrued liabilities	1,007	-	1,007	1,227	2,234
Long-term liabilities:					
Due within one year	-	-	-	80,000	80,000
Due more than one year	-	-	-	80,000	80,000
<b>Total liabilities</b>	5,561	-	5,561	161,227	166,788
<b>Fund balance</b>					
Unassigned	338,110	-	338,110	(338,110)	-
<b>Total liabilities and fund balance</b>	\$ 343,671	\$ -	\$ 343,671		
<b>Net position</b>					
Unrestricted					\$ 176,883

**CITY OF YPSILANTI, MICHIGAN**

**Statement of Revenues, Expenditures, and Changes in Fund Balance / Statement of Activities**

Downtown Development Authority Component Unit

For the Fiscal Year Ended June 30, 2022

	General	Capital Projects			
	Downtown Development Authority	Downtown Development Authority	Total	Adjustments	Statement of Activities
<b>Revenues</b>					
Property taxes	\$ 314,514	\$ -	\$ 314,514	\$ -	\$ 314,514
Investment loss	(6,773)	-	(6,773)	-	(6,773)
Miscellaneous	43,666	-	43,666	-	43,666
<b>Total revenues</b>	<u>351,407</u>	<u>-</u>	<u>351,407</u>	<u>-</u>	<u>351,407</u>
<b>Expenditures/expenses</b>					
Community development	259,608	-	259,608	968,312	1,227,920
Debt service:					
Principal	-	75,000	75,000	(75,000)	-
Interest and fiscal charges	-	16,315	16,315	(2,497)	13,818
<b>Total expenditures/expenses</b>	<u>259,608</u>	<u>91,315</u>	<u>350,923</u>	<u>890,815</u>	<u>1,241,738</u>
Revenues over (under) expenditures	<u>91,799</u>	<u>(91,315)</u>	<u>484</u>		
<b>Other financing sources (uses)</b>					
Transfers in	-	91,315	91,315	(91,315)	-
Transfers out	(91,315)	-	(91,315)	91,315	-
Proceeds from sale of capital assets	285,865	-	285,865	(285,865)	-
<b>Total other financing sources (uses)</b>	<u>194,550</u>	<u>91,315</u>	<u>285,865</u>	<u>(285,865)</u>	<u>-</u>
<b>Change in fund balance / net position</b>	<u>286,349</u>	<u>-</u>	<u>286,349</u>	<u>(890,815)</u>	<u>(890,331)</u>
Fund balance / net position, beginning of year	<u>51,761</u>	<u>-</u>	<u>51,761</u>	<u>1,015,453</u>	<u>1,067,214</u>
<b>Fund balance / net position, end of year</b>	<u>\$ 338,110</u>	<u>\$ -</u>	<u>\$ 338,110</u>	<u>\$ 124,638</u>	<u>\$ 176,883</u>

# CITY OF YPSILANTI, MICHIGAN

## Balance Sheet / Statement of Net Position

Depot Town Downtown Development Authority Component Unit

June 30, 2022

	Depot Town Downtown Development Authority	Adjustments	Statement of Net Position
<b>Assets</b>			
Pooled cash and investments	\$ 318,027	\$ -	\$ 318,027
Receivables	515	-	515
Capital assets being depreciated, net	-	193,464	193,464
<b>Total assets</b>	<u>\$ 318,542</u>	193,464	512,006
<b>Liabilities</b>			
Accounts payable	\$ 10,804	-	10,804
<b>Fund balance</b>			
Unassigned	307,738	(307,738)	-
<b>Total liabilities and fund balance</b>	<u>\$ 318,542</u>		
<b>Net position</b>			
Investment in capital assets			193,464
Unrestricted			307,738
<b>Total net position</b>			<u>\$ 501,202</u>

## CITY OF YPSILANTI, MICHIGAN

### Statement of Revenues, Expenditures, and Changes in Fund Balance / Statement of Activities

Depot Town Downtown Development Authority Component Unit

For the Fiscal Year Ended June 30, 2022

	Depot Town Downtown Development Authority	Adjustments	Statement of Activities
<b>Revenues</b>			
Property taxes	\$ 117,062	\$ -	\$ 117,062
Investment loss	(1,900)	-	(1,900)
Miscellaneous	8,500	-	8,500
<b>Total revenues</b>	123,662	-	123,662
<b>Expenditures/Expenses</b>			
Community development	158,226	17,443	175,669
<b>Change in fund balance / net position</b>	(34,564)	(17,443)	(52,007)
Fund balance / net position, beginning of year	342,302	210,907	553,209
<b>Fund balance / net position, end of year</b>	<u>\$ 307,738</u>	<u>\$ 193,464</u>	<u>\$ 501,202</u>

# CITY OF YPSILANTI, MICHIGAN

## Balance Sheet / Statement of Net Position

Economic Development Corporation Component Unit

June 30, 2022

	Economic Development Corporation	Adjustments	Statement of Net Position
<b>Assets</b>			
Pooled cash and investments	\$ 33,173	\$ -	\$ 33,173
Capital assets not being depreciated	-	53,200	53,200
<b>Total assets</b>	<u>\$ 33,173</u>	<u>53,200</u>	<u>86,373</u>
<b>Fund balance</b>			
Unassigned	<u>\$ 33,173</u>	\$ (33,173)	\$ -
<b>Net position</b>			
Investment in capital assets			53,200
Unrestricted			<u>33,173</u>
<b>Total net position</b>			<u>\$ 86,373</u>

## CITY OF YPSILANTI, MICHIGAN

### Statement of Revenues, Expenditures, and Changes in Fund Balance / Statement of Activities

Economic Development Corporation Component Unit

For the Fiscal Year Ended June 30, 2022

	Economic Development Corporation	Adjustments	Statement of Activities
<b>Revenues</b>			
Property taxes	\$ 49,480	\$ -	\$ 49,480
Investment loss	(356)	-	(356)
<b>Total revenues</b>	49,124	-	49,124
<b>Expenditures/Expenses</b>			
Community development	49,539	-	49,539
<b>Change in fund balance / net position</b>	(415)	-	(415)
Fund balance / net position, beginning of year	33,588	53,200	86,788
<b>Fund balance / net position, end of year</b>	<u>\$ 33,173</u>	<u>\$ 53,200</u>	<u>\$ 86,373</u>

# CITY OF YPSILANTI, MICHIGAN

## Balance Sheet / Statement of Net Position

West Cross Street Downtown Development Authority Component Unit

June 30, 2022

	West Cross Downtown Development Authority	Adjustments	Statement of Net Position
<b>Assets</b>			
Pooled cash and investments	\$ 101,439	\$ -	\$ 101,439
<b>Liabilities</b>			
Accounts payable	\$ 605	-	605
<b>Fund balance</b>			
Unassigned	100,834	(100,834)	-
<b>Total liabilities and fund balance</b>	<u>\$ 101,439</u>		
<b>Net position</b>			
Unrestricted			<u>\$ 100,834</u>

## CITY OF YPSILANTI, MICHIGAN

### Statement of Revenues, Expenditures, and Changes in Fund Balance / Statement of Activities

West Cross Street Development Authority Component Unit

For the Fiscal Year Ended June 30, 2022

	West Cross Downtown Development Authority	Adjustments	Statement of Activities
<b>Revenues</b>			
Property taxes	\$ 130,751	\$ -	\$ 130,751
Investment loss	(1,902)	-	(1,902)
Miscellaneous	78,332	-	78,332
<b>Total revenues</b>	207,181	-	207,181
<b>Expenditures/Expenses</b>			
Community development	106,347	-	106,347
<b>Change in fund balance / net position</b>	100,834	-	100,834
Fund balance / net position, beginning of year	-	-	-
<b>Fund balance / net position, end of year</b>	<u>\$ 100,834</u>	<u>\$ -</u>	<u>\$ 100,834</u>

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## **STATISTICAL SECTION**

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# CITY OF YPSILANTI, MICHIGAN

## Statistical Section (Unaudited)

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

### CONTENTS

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#### **Financial Trends (schedules 1 through 4)**

146

These schedules contain trend information to help the reader understand how the government's financial performance and well-being of the City have changed over time.

#### **Revenue Capacity (schedules 5 through 8)**

154

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; property taxes.

#### **Debt Capacity (schedules 9 through 13)**

158

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

#### **Demographic and Economic Information (schedules 14 and 15)**

164

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

#### **Operating Information (schedules 16 through 19)**

166

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 government provides and the activities it performs.

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

## CITY OF YPSILANTI, MICHIGAN

### Net Position by Component

Last Ten Years

*(accrual basis of accounting)*

	2013	2014 (1)	2015 (2)	2016
<b>Governmental activities</b>				
Net investment in capital assets	\$ 15,636,305	\$ 16,524,392	\$ 16,749,695	\$ 18,147,399
Restricted	7,631,866	4,545,511	10,414,995	7,598,773
Unrestricted (deficit)	<u>(6,545,637)</u>	<u>(5,533,659)</u>	<u>(20,315,186)</u>	<u>(17,387,277)</u>
<b>Total governmental activities net position</b>	<u>\$ 16,722,534</u>	<u>\$ 15,536,244</u>	<u>\$ 6,849,504</u>	<u>\$ 8,358,895</u>

Source: City of Ypsilanti Finance Department

- (1) The City implemented GASB 67 in FY2014. Information prior to FY2014 was not available to restate.
- (2) The City implemented GASB 68 in FY2015. Information prior to FY2015 was not available to restate.
- (3) The City implemented GASB 74 in FY2017. Information prior to FY2017 was not available to restate.
- (4) Restricted net position was restated to correct the recognition of a reimbursable grant.
- (5) The City implemented GASB 84 in FY2021. Information prior to FY2021 was not available to restate.

2017 (3)	2018	2019 (4)	2020	2021 (5)	2022
\$ 16,659,020	\$ 16,446,266	\$ 15,491,863	\$ 15,254,452	\$ 15,824,664	\$ 14,913,237
6,954,062	7,737,133	9,863,406	10,035,651	11,143,309	14,592,014
<u>(33,336,312)</u>	<u>(34,226,541)</u>	<u>(38,059,316)</u>	<u>(35,745,875)</u>	<u>(36,504,459)</u>	<u>(29,682,126)</u>
<u>\$ (9,723,230)</u>	<u>\$ (10,043,142)</u>	<u>\$ (12,704,047)</u>	<u>\$ (10,455,772)</u>	<u>\$ (9,536,486)</u>	<u>\$ (176,875)</u>

## CITY OF YPSILANTI, MICHIGAN

### Changes in Net Position

Last Ten Years

(accrual basis of accounting)

	2013	2014	2015	2016
<b>Revenue</b>				
Governmental activities:				
Program revenues:				
Charges for services	\$ 2,618,765	\$ 3,108,560	\$ 2,503,629	\$ 3,023,987
Operating grants and contributions	4,282,348	3,829,486	4,697,877	6,574,946
Capital grants and contributions	24,258	692,619	176,177	1,525,918
General revenues:				
Property taxes	10,309,164	10,656,453	10,606,608	10,452,347
Grants and contributions not restricted to specific programs	2,342,612	2,420,667	2,483,001	2,555,299
Unrestricted investment income (loss)	(13,260)	341,590	368,451	242,763
Other	-	-	-	-
<b>Total governmental activities revenues</b>	<u>19,563,887</u>	<u>21,049,375</u>	<u>20,835,743</u>	<u>24,375,260</u>
<b>Expenses</b>				
Governmental activities:				
Legislative	-	-	-	-
General government	2,083,855	1,690,255	2,894,307	4,294,933
Public safety	7,908,177	8,878,722	9,667,739	10,198,973
Public works and refuse collection	4,067,582	5,542,347	1,815,800	2,034,380
Public Transportation	308,564	275,386	268,428	316,471
Highways, streets, and bridges	3,921,320	3,143,348	3,732,864	3,049,680
Culture and recreation	408,367	366,668	419,667	911,753
Community development	292,867	255,416	361,966	404,780
Interest on long-term debt	2,095,288	2,103,523	1,858,619	1,654,899
<b>Total governmental activities expenses</b>	<u>21,086,020</u>	<u>22,255,665</u>	<u>21,019,390</u>	<u>22,865,869</u>
<b>Special item</b>				
Change in fair value of land held for resale	(1,995,335)	-	-	-
<b>Change in net position</b>	<u>(3,517,468)</u>	<u>(1,206,290)</u>	<u>(183,647)</u>	<u>1,509,391</u>

Source: City of Ypsilanti Finance Department.

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

	2017	2018	2019 (1)	2020	2021	2022
\$	2,779,735	\$ 2,916,478	\$ 2,713,669	\$ 2,898,118	\$ 3,041,512	\$ 3,334,011
	2,547,760	3,596,920	2,610,388	3,443,453	4,666,320	6,338,785
	59,983	628,205	196,966	519,682	319,991	31,997
	10,582,364	10,345,083	11,018,343	11,348,696	12,216,350	11,633,250
	3,033,942	2,755,507	2,693,174	2,621,332	3,247,849	3,381,426
	68,510	169,432	337,327	340,433	104,823	(144,052)
	-	46,255	173,598	7,777	-	167,803
	<u>19,072,294</u>	<u>20,457,880</u>	<u>19,743,465</u>	<u>21,179,491</u>	<u>23,596,845</u>	<u>24,743,220</u>
	-	-	-	-	140,728	132,227
	3,084,786	3,556,035	4,177,241	2,770,051	2,641,628	1,349,430
	8,961,050	9,749,189	11,316,595	9,780,593	9,188,901	7,674,368
	1,925,326	1,617,860	1,696,531	1,618,428	4,024,987	1,750,619
	282,793	283,372	289,809	294,984	308,218	300,545
	3,825,640	3,598,015	3,091,800	2,945,099	2,205,971	2,203,166
	1,095,758	517,317	529,135	272,872	620,355	1,042,772
	454,835	624,746	453,202	594,942	544,410	502,724
	1,218,241	831,258	850,057	654,247	709,721	427,758
	<u>20,848,429</u>	<u>20,777,792</u>	<u>22,404,370</u>	<u>18,931,216</u>	<u>20,384,919</u>	<u>15,383,609</u>
	(768,350)	-	-	-	-	-
	<u>(2,544,485)</u>	<u>(319,912)</u>	<u>(2,660,905)</u>	<u>2,248,275</u>	<u>3,211,926</u>	<u>9,359,611</u>

## CITY OF YPSILANTI, MICHIGAN

### Fund Balances - Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2013	2014 (1)	2015	2016
<b>General fund</b>				
Nonspendable	\$ 329,819	\$ 348,324	\$ 393,356	\$ 343,892
Committed	6,008,192	4,631,779	5,260,352	3,485,701
Assigned	-	-	-	1,130,833
Unassigned	2,201,556	2,968,262	2,530,473	852,096
<b>Total general fund</b>	<u>\$ 8,539,567</u>	<u>\$ 7,948,365</u>	<u>\$ 8,184,181</u>	<u>\$ 5,812,522</u>
<b>All other governmental funds</b>				
Nonspendable	\$ 2,768,482	\$ 1,900,300	\$ 1,934,877	\$ 2,019,100
Restricted	5,327,431	3,069,197	5,979,102	3,539,698
Committed	1,061,201	2,916,471	753,262	2,193,435
Unassigned (deficit)	(168,166)	-	(34,577)	-
<b>Total all other governmental funds</b>	<u>8,988,948</u>	<u>7,885,968</u>	<u>8,632,664</u>	<u>7,752,233</u>
<b>Total governmental funds</b>	<u>\$ 17,528,515</u>	<u>\$ 15,834,333</u>	<u>\$ 16,816,845</u>	<u>\$ 13,564,755</u>

Source: City of Ypsilanti Finance Department.

(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 reimburseable grant.

2017	2018	2019 (2)	2020	2021	2022
\$ 336,731	\$ 281,801	\$ 273,809	\$ 199,312	\$ 282,358	\$ 345,028
1,632,133	1,828,128	3,714,499	3,945,778	3,934,723	4,051,659
-	-	-	-	-	-
3,996,055	4,397,639	3,370,652	4,205,335	5,234,303	5,643,763
<u>\$ 5,964,919</u>	<u>\$ 6,507,568</u>	<u>\$ 7,358,960</u>	<u>\$ 8,350,425</u>	<u>\$ 9,451,384</u>	<u>\$ 10,040,450</u>
\$ -	\$ 1,131,950	\$ -	\$ -	\$ -	\$ 1,645
3,106,870	3,732,277	5,639,702	6,165,090	7,247,057	7,935,546
3,055,162	1,899,256	2,365,698	2,617,193	2,225,461	2,254,216
-	-	-	-	-	-
6,162,032	6,763,483	8,005,400	8,782,283	9,472,518	10,191,407
<u>\$ 12,126,951</u>	<u>\$ 13,271,051</u>	<u>\$ 15,364,360</u>	<u>\$ 17,132,708</u>	<u>\$ 18,923,902</u>	<u>\$ 20,231,857</u>

## CITY OF YPSILANTI, MICHIGAN

### Changes in Fund Balances - Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2013	2014	2015	2016
<b>Revenues</b>				
Property taxes	\$ 10,309,164	\$ 10,656,453	\$ 10,606,608	\$ 10,452,347
Licenses and permits	748,417	648,881	867,227	822,818
Intergovernmental	7,112,100	6,851,138	9,076,428	9,002,708
Charges for services	733,730	417,906	475,814	471,898
Fines and forfeits	499,099	414,468	315,907	356,170
Donations	-	-	-	-
Investment income (loss)	(33,737)	182,666	270,174	178,039
Miscellaneous	671,558	1,710,943	1,193,807	1,434,652
<b>Total revenues</b>	<b>20,040,331</b>	<b>20,882,455</b>	<b>22,805,965</b>	<b>22,718,632</b>
<b>Expenditures</b>				
Current:				
Legislative	-	-	-	-
General government	3,257,591	3,216,108	3,525,523	3,513,602
Public safety	7,264,800	7,806,628	8,048,474	7,954,140
Public works	3,198,498	4,615,556	1,761,321	2,027,124
Public transportation	308,175	274,846	267,238	315,229
Highways, streets and bridges	1,806,267	1,476,912	2,318,364	2,523,389
Culture and recreation	284,251	1,136,746	309,980	2,174,842
Community development	92,208	32,448	55,522	46,002
Tax tribunal refunds	13,735	12,712	260,020	49,000
Debt service:				
Principal	3,340,000	3,535,000	3,665,000	5,985,000
Interest and fiscal charges	2,204,172	2,157,920	1,883,263	1,781,392
Bond issuance costs	-	-	-	209,618
<b>Total expenditures</b>	<b>21,769,697</b>	<b>24,264,876</b>	<b>22,094,705</b>	<b>26,579,338</b>
Excess of revenues over (under) expenditures	(1,729,366)	(3,382,421)	711,260	(3,860,706)
<b>Other financing sources (uses)</b>				
Transfers in	6,759,280	4,928,666	2,140,163	4,614,790
Transfers out	(6,470,040)	(4,717,299)	(2,084,574)	(4,614,790)
Sales of capital assets	-	-	-	-
Proceeds from issuance of debt	5,372,551	8,993,185	215,663	10,838,601
Premium and discounts on bonds	(83,208)	433,687	-	60,015
Payment to refunding escrow agent	(4,005,000)	(7,950,000)	-	(10,290,000)
<b>Total other financing sources (uses)</b>	<b>1,573,583</b>	<b>1,688,239</b>	<b>271,252</b>	<b>608,616</b>
Special item - change in market value of land held for resale	(1,995,335)	-	-	-
<b>Net change in fund balances</b>	<b>\$ (2,151,118)</b>	<b>\$ (1,694,182)</b>	<b>\$ 982,512</b>	<b>\$ (3,252,090)</b>
Noncapital expenditures	26.3%	25.4%	26.7%	33.4%

Source: City of Ypsilanti Finance Department.

	2017	2018	2019	2020	2021	2022
\$	10,582,364	\$ 10,345,083	\$ 11,018,343	\$ 11,348,696	\$ 12,216,350	\$ 11,633,250
	880,933	1,061,002	1,071,663	947,988	691,527	854,130
	8,232,651	8,099,175	8,175,615	8,660,108	10,791,769	9,692,350
	635,838	483,949	563,582	972,785	1,313,171	1,546,444
	446,318	484,649	542,875	454,089	56,781	46,518
	-	117,876	105,491	73,314	73,209	112,227
	42,641	132,749	270,543	275,910	99,121	(132,737)
	769,796	634,418	754,965	594,725	536,453	881,923
	<u>21,590,541</u>	<u>21,358,901</u>	<u>22,503,077</u>	<u>23,327,615</u>	<u>25,778,381</u>	<u>24,634,105</u>
	-	-	-	-	140,728	132,227
	3,294,351	3,503,910	3,602,476	3,763,010	3,621,719	3,499,925
	7,853,131	8,500,480	8,303,137	9,256,206	10,617,681	10,261,534
	1,881,837	1,724,315	1,696,522	1,875,291	2,179,657	2,351,560
	282,327	283,544	287,313	294,896	308,218	300,545
	2,229,228	1,450,475	1,338,469	1,829,896	2,123,928	1,788,930
	1,048,105	413,267	758,355	1,061,290	903,951	924,201
	-	-	-	-	544,410	519,033
	(11,536)	(13,288)	71,746	(46,280)	-	-
	4,270,000	3,545,000	3,425,000	2,685,000	2,780,000	2,855,000
	1,412,552	1,017,275	926,750	839,958	766,895	693,195
	153,418	-	-	-	-	-
	<u>22,413,413</u>	<u>20,424,978</u>	<u>20,409,768</u>	<u>21,559,267</u>	<u>23,987,187</u>	<u>23,326,150</u>
	<u>(822,872)</u>	<u>933,923</u>	<u>2,093,309</u>	<u>1,768,348</u>	<u>1,791,194</u>	<u>1,307,955</u>
	1,610,549	1,442,333	1,323,410	1,224,141	937,963	1,008,122
	(1,610,549)	(1,442,333)	(1,323,410)	(1,224,141)	(937,963)	(1,008,122)
	-	210,177	-	-	-	-
	8,455,000	-	-	-	-	-
	1,122,195	-	-	-	-	-
	(9,423,777)	-	-	-	-	-
	<u>153,418</u>	<u>210,177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(768,350)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u>(1,437,804)</u>	<u>\$ 1,144,100</u>	<u>\$ 2,093,309</u>	<u>\$ 1,768,348</u>	<u>\$ 1,791,194</u>	<u>\$ 1,307,955</u>
	<u>26.6%</u>	<u>22.5%</u>	<u>21.9%</u>	<u>17.2%</u>	<u>15.9%</u>	<u>15.7%</u>

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

Tax Year	Fiscal Year Ended	Real Property (1)		Personal Property (1)		Total		Total Direct Tax Rate
		Taxable Value	(2) Assessed Value	Taxable Value	(2) Assessed Value	Taxable Value	(2) Assessed Value	
2021	2022	\$ 360,954,605	\$ 526,766,552	\$ 16,147,500	\$ 16,147,500	\$ 377,102,105	\$ 542,914,052	32.3395
2020	2021	339,706,666	498,227,695	17,724,495	17,724,495	357,431,161	515,952,190	35.4130
2019	2020	327,514,401	461,807,500	17,891,600	17,891,600	345,406,001	479,699,100	34.1423
2018	2019	300,675,193	387,161,686	16,829,624	16,829,624	317,504,817	403,991,310	33.5261
2017	2018	289,053,202	376,271,300	16,896,400	16,896,400	305,949,602	393,167,700	35.0727
2016	2017	281,935,196	343,372,917	15,501,500	15,501,500	297,436,696	358,874,417	34.9012
2015	2016	278,428,012	313,904,850	16,897,689	16,897,689	295,325,701	330,802,539	35.7735
2014	2015	275,672,619	295,131,668	16,460,800	16,460,800	292,133,419	311,592,468	36.4947
2013	2014	271,120,783	283,777,190	18,493,812	18,493,812	289,614,595	302,271,002	35.2060
2012	2013	273,316,097	283,284,181	17,413,000	17,413,000	290,729,097	300,697,181	33.6731

Source: City of Ypsilanti Assessing Division

(1) Includes properties subject to Industrial Facility Tax exemptions

(2) Estimated actual value equals the assessed value

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

Fiscal Year Ended June 30,	City	Ypsilanti Public Schools	State Education Tax	Washtenaw Intermediate School District	County	Washtenaw Community College	Ypsilanti District Library	Ann Arbor Area Transit Authority	Totals	
									Homestead	Non-Homestead
2022	32.3395	27.9385	6.0000	5.6417	7.0856	3.3759	2.4948	0.6862	67.5622	85.5622
2021	35.4130	27.9712	6.0000	5.6625	7.2683	3.3538	1.8344	0.6880	70.1912	88.1912
2020	34.1423	27.9712	6.0000	5.3285	7.5911	3.3763	1.9338	0.6936	69.0368	87.0368
2019	33.5261	25.8579	6.0000	5.4109	6.2122	3.4267	2.7166	0.6860	65.9785	83.8364
2018	35.0727	25.9712	6.0000	5.4509	6.2432	3.4360	2.7660	0.6943	67.6631	85.6343
2017	34.9012	26.0000	6.0000	3.9745	6.3058	3.4576	2.7922	0.7000	66.1313	84.1313
2016	35.7735	25.0000	6.0000	3.9745	6.2838	3.4576	2.8110	0.7000	66.0004	84.0004
2015	36.4947	25.0000	6.0000	3.9745	5.7801	3.4576	2.8102	-	65.5171	83.5171
2014	35.2060	25.0000	6.0000	3.9745	5.7654	3.6376	2.7845	-	64.3680	82.3680
2013	33.6731	25.0000	6.0000	3.9745	5.7518	3.7176	2.7410	-	62.8580	80.8580
2012	30.8592	24.2000	6.0000	3.9745	5.7418	3.6856	2.1575	-	58.6186	76.6186

Components of City Millage Rate						
Fiscal Year Ended June 30,	General Operating	Sanitation	Streets	Public Transport	Police and Fire Pension	Total
2022	17.6637	2.5826	1.9483	0.9088	9.2361	32.3395
2021	18.0298	2.6362	2.0043	0.9277	11.8150	35.4130
2020	18.3137	2.6778	2.0613	0.9424	10.1471	34.1423
2019	18.7386	2.7400	2.7189	0.9643	8.3643	33.5261
2018	18.9069	2.7647	4.5866	0.9730	7.8415	35.0727
2017	19.0211	2.7814	4.5787	0.9789	7.5411	34.9012
2016	19.0211	2.7814	4.6772	0.9789	8.3149	35.7735
2015	19.0211	2.7814	4.7904	0.9789	8.9229	36.4947
2014	19.0211	2.7814	5.0243	0.9789	7.4003	35.2060
2013	19.0211	2.7814	4.5685	0.9789	6.3232	33.6731

Source: City of Ypsilanti Finance Department

**Principal Property Taxpayers**

Current Year and Nine Years Ago  
(amounts expressed in thousands)

Tax Year	2021			2012		
	Taxable Value	Rank	Percent of Total Taxable Value	Taxable Value	Rank	Percent of Total Taxable Value
Dte Electric Company	\$ 7,010	1	1.86%	\$ 2,656	5	0.86%
Arbor One LLC	5,838	2	1.55%			
LeForge Station LLC	5,328	3	1.41%	5,155	1	1.67%
The Park at River Woods LP	2,958	4	0.78%			
Forest Health Medical Center	2,453	5	0.65%	1,690	8	0.55%
River Drive Properties LLC	2,100	6	0.56%	2,923	3	0.95%
Forrest Knoll Apts	2,040	7	0.54%	1,811	7	0.59%
Ypsilanti Realty Holdings LLC	1,768	8	0.47%			
Erie Investments No.15 LLC	1,693	9	0.45%			
Cross Street Village	1,692	10	0.45%			
Barnes & Barnes Properties				3,124	2	1.01%
Michigan Consolidated Gas Company				2,847	4	0.92%
Asad Khailany				1,937	6	0.63%
Comcast of the South, Inc.				1,661	9	0.54%
Beal Properties, LLC				1,593	10	0.52%
	<u>\$ 32,880</u>		<u>8.72%</u>	<u>\$ 25,397</u>		<u>8.24%</u>

Source: City of Ypsilanti Assessing Division

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

(1) Fiscal Year Ended June 30,	(2) Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		(3) Delinquent Collections	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2022	\$ 9,585,988	\$ 9,201,847	95.99%	\$ 370,670	\$ 9,572,517	99.86%
2021	10,264,516	9,784,388	95.32%	441,201	10,225,589	99.62%
2020	9,408,316	8,846,552	94.03%	561,765	9,408,316	100.00%
2019	8,510,864	7,931,411	93.19%	556,266	8,487,677	99.73%
2018	8,069,358	7,501,956	92.97%	567,402	8,069,358	100.00%
2017	7,976,943	7,464,410	93.57%	512,533	7,976,943	100.00%
2016	7,821,191	7,297,100	93.30%	524,091	7,821,191	100.00%
2015	7,951,839	7,463,299	93.86%	426,318	7,889,617	99.22%
2014	8,066,559	7,417,171	91.95%	589,092	8,006,263	99.25%
2013	7,604,343	6,860,589	90.22%	708,138	7,568,727	99.53%

Source: City of Ypsilanti Treasury Division

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

## CITY OF YPSILANTI, MICHIGAN

### Ratios of Outstanding Debt by Type

Last Ten Years

	2013	2014	2015	2016
<b>Governmental activities</b>				
General obligation bonds	\$ 21,640,000	\$ 19,925,000	\$ 18,125,000	\$ 14,160,000
Revenue bonds	29,389,535	28,612,720	26,963,383	25,491,984
Unamortized premium	-	402,709	371,731	399,767
Installment purchase agreements and direct borrowings	3,090,350	3,090,350	3,224,136	453,072
Total outstanding debt	<u>\$ 54,119,885</u>	<u>\$ 52,030,779</u>	<u>\$ 48,684,250</u>	<u>\$ 40,504,823</u>
Total taxable value	\$ 290,729,097	\$ 289,614,595	\$ 292,133,419	\$ 295,325,701
Ratio of total debt to taxable value	18.62%	17.97%	16.67%	13.72%
Total population	19,621	20,142	20,081	19,945
Total debt per capita	\$ 2,758	\$ 2,583	\$ 2,424	\$ 2,031
% of personal income	6.76%	5.98%	5.52%	4.60%
Personal income	\$ 800,948	\$ 870,175	\$ 882,098	\$ 881,210

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.

Schedule 9  
Unaudited

2017	2018	2019	2020	2021	2022
\$ 11,810,000	\$ 10,180,000	\$ 8,785,000	\$ 8,195,000	\$ 7,580,000	\$ 6,945,000
22,406,984	20,491,984	18,461,984	16,366,984	14,201,984	11,981,984
1,377,192	1,223,713	1,070,234	916,755	763,276	609,797
431,748	409,798	387,203	363,943	340,000	340,000
<u>\$ 36,025,924</u>	<u>\$ 32,305,495</u>	<u>\$ 28,704,421</u>	<u>\$ 25,842,682</u>	<u>\$ 22,885,260</u>	<u>\$ 19,876,781</u>
\$ 297,436,696	\$ 305,949,602	\$ 317,504,817	\$ 345,406,001	\$ 357,431,161	\$ 377,102,105
12.11%	10.56%	9.04%	7.48%	6.40%	5.27%
21,018	21,076	20,995	20,171	20,648	20,113
\$ 1,714	\$ 1,533	\$ 1,367	\$ 1,281	\$ 1,108	\$ 988
3.77%	3.31%	2.82%	2.55%	2.30%	1.78%
\$ 955,982	\$ 975,208	\$ 1,016,745	\$ 1,015,004	\$ 992,977	\$ 1,117,297

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

Fiscal Year	Governmental Activities		Total Primary Government	% of Actual Taxable Value	Total Outstanding Debt Per Capita
	General Obligation Bonds	Less: Amount Restricted to Repaying Principal			
2022	\$ 6,945,000	\$ (10,392)	\$ 6,934,608	1.84%	\$ 345
2021	7,580,000	(8,010)	7,571,990	2.12%	367
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

Source: City of Ypsilanti Finance Department

**Computation of Net Direct and Overlapping Debt**  
June 30, 2022

	<b>Amount Outstanding</b>
<b>Direct debt</b>	
General obligation bonds	\$ 6,945,000
Revenue bonds and unamortized premium (2)	12,591,781
Direct borrowings	<u>340,000</u>
<b>Net direct debt</b>	<u><u>\$ 19,876,781</u></u>

	<b>Net Debt Outstanding</b>	<b>Percentage Applicable to City of Ypsilanti</b>	<b>Share Applicable to City of Ypsilanti</b>
<b>Overlapping debt (1)</b>			
School Districts:			
Ypsilanti School District	\$ 66,282,207	25.95%	\$ 17,198,033
Washtenaw County	20,060,031	1.87%	375,123
Intermediate School District	38,315,000	1.88%	720,322
Washtenaw Community College	<u>5,535,000</u>	1.91%	<u>105,719</u>
			18,399,197
<b>Total overlapping debt</b>	<u><u>\$ 130,192,238</u></u>		<u><u>18,399,197</u></u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 38,275,978</u></u>

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

(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 Note 20 of the notes to the financial statements.

**Legal Debt Margin**  
Last Ten Years

**Legal debt margin calculation for 2022**

Assessed value (state equalized value)	\$ 542,914,052
Debt limit (10% of state equalized value)	54,291,405
Net debt subject to limitation: General obligation bonds	<u>6,945,000</u>
<b>Legal debt margin</b>	<u><u>\$ 47,346,405</u></u>

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit As % of Debt Limit Ratio
2022	\$ 54,291,405	\$ 6,945,000	\$ 47,346,405	12.79%
2021	51,595,219	7,580,000	44,015,219	14.69%
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%

Source: City of Ypsilanti Finance Department

**Revenue Bonds Coverage - Sewer Enterprise Fund**

Last Ten Fiscal Years

Fiscal Year Ended August 31,	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Total Debt Service Requirements (3)	Coverage
2021	\$ 40,780,892	\$ 32,094,930	\$ 8,685,962	\$ 8,947,302	97.08%
2020	40,919,422	32,299,790	8,619,632	5,657,855	152.35%
2019	40,805,221	31,849,174	8,956,047	6,916,928	129.48%
2018	43,994,684	29,758,749	14,235,935	6,496,119	219.15%
2017	42,326,307	32,898,538	9,427,769	6,923,769	136.17%
2016	39,405,150	32,304,067	7,101,083	6,431,896	110.40%
2015	36,497,656	29,589,319	6,908,337	7,925,358	87.17%
2014	35,000,803	27,676,654	7,324,149	5,544,573	132.10%
2013	34,042,779	27,922,287	6,120,492	5,844,681	104.72%
2012	34,764,666	27,565,394	7,199,272	4,509,206	159.66%

Source: Ypsilanti Community Utilities Authority (YCUA) annual comprehensive financial report. YCUA has an August 31 fiscal year end; as such, the 2022 report is not yet available.

- (1) Includes operating revenue, investment earnings, connect fees and debt service, and contributions.
- (2) Total operating expenses, excluding depreciation.
- (3) Includes bonds and notes receivable applicable to YCUA as a whole.

**Demographic and Economic Statistics**

Last Ten Years

Fiscal Year	(1) Population	(2) Total Personal Income (in thousands)	(2) Per Capita Income	(3) School Enrollment	(4) Unemployment Rate
2022	20,113	\$ 1,117,297	\$ 55,551	3,669	5.4%
2021	20,648	1,016,460	49,228	3,417	6.8%
2020	20,171	1,015,004	50,320	3,656	7.6%
2019	20,995	1,016,746	48,428	3,642	4.4%
2018	21,076	975,208	46,271	3,713	5.3%
2017	21,018	955,982	45,484	3,536	4.9%
2016	19,945	881,210	44,182	3,649	5.3%
2015	20,081	882,098	43,927	3,952	6.6%
2014	20,142	870,175	43,202	4,307	6.3%
2013	19,621	800,948	40,821	3,158	7.6%

Year	(1) Population	(1) Median Age
2020	20,648	24
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	-

- (1) Estimate per SEMCOG and/or U.S. Census Bureau;  
<https://www.census.gov/quickfacts/fact/dashboard/ypsilantcitymichigan,MI,US/PST045216>
- (2) Estimate from U.S. Department of Commerce, Bureau of Economic Analysis. (2013/14 data is not available, so used year 2013 data for Washtenaw County). (Total personal income=population \* per capita income)
- (3) <https://legacy.mischooldata.org/Other2/DataFiles/StudentCounts/HistoricalDistrictFtePupilCounts.aspx>  
(2021 Figure Based on Fall 20-21 data only)
- (4) [http://ycharts.com/indicators/ypsilanti\\_mi\\_unemployment\\_rate](http://ycharts.com/indicators/ypsilanti_mi_unemployment_rate)

**Principal Employers**

Current Year and Nine Years Ago

Employer	2022			2013		
	(1) Total Employees	Rank	% of Total City Labor Force	Employees	Rank	% of Workforce
Eastern Michigan University	1,745	1	6.08%	1,854	1	16.94%
Chartwell's Higher Education	219	2	0.76%			
Washtenaw County	206	3	0.72%	318	3	2.29%
Michigan Department of HHS	183	4	0.64%			
Ypsilanti Community Schools	170	5	0.59%	484	2	4.48%
City of Ypsilanti	144	6	0.50%	85	5	0.81%
The Gilbert Residence	127	7	0.44%			
Villa at Parkridge (Bortz Health Care)	125	8	0.44%			
Marsh Plating and Finishing Services	100	9	0.35%	77	7	0.63%
Ypsilanti Health Center	90	10	0.31%			
Bortz Health Care of Ypsilanti				148	4	1.29%
Forest Health Services				84	6	0.73%
Gene Butman Ford				68	8	0.42%
Fischer Honda				47	9	0.30%
Walgreens				37	10	0.50%
	<u>3,109</u>		<u>10.83%</u>	<u>3,202</u>		<u>28.39%</u>

Source: Michigan Department of Technology, Management, and Budget  
 City of Ypsilanti Finance Department  
[https://ycharts.com/indicators/ypsilanti\\_mi\\_labor\\_force](https://ycharts.com/indicators/ypsilanti_mi_labor_force)

**Employees by Department**  
By Function/Program  
Last Ten Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Mayor and City Council (1010)	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
<b>Administrative services</b>										
City Manager (1720)	1.85	2.60	2.60	2.60	1.60	1.60	2.00	2.00	2.00	2.00
Human Resources (2700)	1.55	1.30	1.30	1.00	1.00	1.00	2.00	2.00	2.00	2.00
Ordinance Enforcement (341)	0.50	1.70	1.70	3.00	4.00	-	2.00	2.00	2.00	2.00
Building Inspection (3710)	3.25	2.20	2.20	-	-	4.00	4.50	4.50	5.00	4.00
Planning and Development (7210)	2.38	2.13	2.13	3.35	4.40	5.40	5.00	5.00	5.00	6.00
Freighthouse(7551)	-	-	-	-	-	-	-	-	1.00	0.29
	<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>	<u>17.00</u>	<u>16.29</u>
<b>Citizen services</b>										
Voters Registration, school, and county election (2621)	-	-	-	-	-	0.50	0.50	0.50	0.50	0.50
City Clerk (2150)	1.95	1.95	1.95	1.45	1.50	1.75	2.50	2.50	2.50	3.00
City Treasurer (2530)	1.34	1.34	1.68	1.50	1.00	2.00	1.50	0.50	0.50	1.00
	<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>	<u>3.50</u>	<u>4.50</u>
<b>Administrative Hearing Bureau (3730)</b>	<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>	<u>0.06</u>	<u>0.15</u>
<b>Fire services</b>										
Administration (3370)	1.00	1.00	1.00	1.00	1.00	1.50	2.00	2.00	2.00	3.00
Suppression (3390)	16.00	16.00	16.00	19.00	18.00	15.00	14.00	18.00	13.00	18.00
	<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>	<u>15.00</u>	<u>21.00</u>
<b>Fiscal services</b>										
Finance - Accounting (1910)	3.03	3.03	3.03	3.00	4.00	4.00	5.73	6.50	4.50	4.00
Finance - Assessor (2570)	0.33	0.33	0.33	-	-	-	-	-	-	-
	<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>	<u>4.50</u>	<u>4.00</u>
<b>Police services</b>										
Administration (3050)	2.00	2.00	2.00	3.00	3.00	3.00	3.50	3.50	4.50	4.72
Field Services (3070)	24.00	28.26	29.26	29.95	27.00	25.00	27.00	30.00	32.00	28.00
COPS Grant	2.00	2.00	2.00	-	-	-	-	-	-	-
Parking Enforcement (3110)	2.00	2.00	2.00	2.00	2.00	3.00	2.00	2.00	2.00	2.00
LAWNET Grant (312 and 316)	1.00	1.00	1.00	1.00	-	-	-	-	-	-
School Liaison Contract (317)	-	-	-	1.00	1.00	-	-	-	-	-
	<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>	<u>38.50</u>	<u>34.72</u>
<b>Public services</b>										
Parks, streets, building, parking lots, and garbage collection	17.00	17.00	16.00	16.00	17.00	17.27	16.00	20.00	20.00	20.00
Administration (4410)	3.81	3.88	3.88	4.00	4.00	4.00	4.00	4.00	4.00	4.00
	<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>	<u>24.00</u>	<u>24.00</u>
<b>Total full-time employees</b>	<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>	<u>102.56</u>	<u>104.66</u>
<b>Total council and full-time employees</b>	<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>	<u>109.56</u>	<u>111.66</u>

Source: City of Ypsilanti Finance Department

**Operating Indicators by Function/Program**  
Last Ten Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Public safety</b>										
Police services:										
Number of uniform crime reporting	2,913	3,179	2,301	2,101	2,317	2,186	1,308	1,268	1,221	1,341
Number of traffic violations	3,024	3,528	1,779	1,257	1,881	1,374	1,008	1,551	870	988
Number of arrests	1,698	1,939	712	1,253	1,048	764	679	809	633	521
Number of parking violations	9,223	2,975	6,382	9,730	13,422	12,865	12,319	9,058	6,057	7,266
Fire services:										
Number of calls answered	639	690	545	712	2,300	2,437	2,291	2,037	1,743	2,611
Number of inspections conducted	384	264	325	513	171	113	17	5	72	181
<b>Public Services</b>										
Miles of local streets maintained	21.22	21.22	21.22	21.22	21.11	21.22	32.20	32.30	32.30	32.30
Miles of major streets maintained	32.44	32.44	32.44	32.44	32.44	32.33	21.22	21.22	21.22	21.22
<b>Public Utilities</b>										
Miles of water mains	58.66	58.66	53.74	59.00	59.00	70.00	70.00	70.00	70.50	70.50
Number of fire hydrants	663	663	663	663	663	663	663	663	679	733

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

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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Police Services</b>										
Police department building	1	1	1	1	1	1	1	1	1	1
Temporary detention cells	2	2	2	2	2	2	2	2	2	2
Vehicle patrol units:										
Police service automobiles	9	9	9	9	9	10	9	10	9	9
Unmarked police vehicles	7	7	7	8	8	7	7	7	7	7
Parking enforcement	2	2	2	2	2	2	1	2	2	2
Mobile command vehicle	1	1	1	1	1	1	1	1	1	1
Volunteer service vehicle	1	1	1	1	1	-	-	-	-	-
<b>Fire Services</b>										
Emergency services building	1	1	1	1	1	1	1	1	1	1
Vehicle units:										
Pumper truck	2	2	2	2	2	2	2	2	2	2
Pumper ladder truck	1	1	1	1	1	1	1	1	1	1
Rescue truck	-	-	-	-	-	-	-	-	-	1
Jaws of life	1	1	1	1	1	1	1	1	1	-
Chief's city car	1	1	1	1	1	1	1	1	1	1
Fire Marshal's vehicle	-	-	-	-	-	-	-	-	1	1
Trailer	-	-	-	-	-	-	-	-	1	-
Pickup truck	2	2	2	2	2	2	2	2	-	2
Utility van	-	-	-	-	-	-	-	-	2	-
<b>Administrative Services</b>										
Crown Victoria - CH	1	-	-	-	-	-	-	-	-	-
Code Enforcement	-	-	-	-	-	-	-	2	2	2
Impala	1	1	1	1	1	1	1	1	-	-
Taurus - CM	1	1	1	1	1	1	1	1	-	-
Ford Escape 1	-	-	-	-	-	-	-	1	1	1
Ford Escape 2	-	-	-	-	-	-	-	1	1	1
Building enforcement vehicles	3	2	2	2	3	2	2	3	3	3
<b>Public Services</b>										
Passenger										
Crown Victoria	2	1	-	-	-	-	-	-	-	-
Escape	1	1	1	1	1	1	1	1	1	2
Van with Aerial Lift	1	-	-	-	-	-	-	-	-	-
Trucks:										
Pick-up	7	5	4	4	4	4	4	4	5	6
with Aerial Lift	1	2	1	1	1	1	1	1	1	1
Dump	11	9	7	7	6	7	7	7	10	7
with Grapple	1	1	1	1	1	1	1	1	2	1
Stake	6	3	3	3	4	3	3	3	2	3
with Aerial Lift	1	1	1	1	1	1	1	1	2	1
Packer Truck	4	3	3	3	4	3	3	3	4	4
Brush Chipper	1	1	1	1	1	1	1	1	1	1
Tractors:										
with Front Loader	1	-	-	-	1	-	-	-	-	-
with Front Loader/Rear Plow	1	1	1	1	1	-	-	-	-	-
with Bucket and Backhoe	1	-	-	-	-	-	-	-	-	-
with Drawn Rake	1	-	-	-	-	-	-	-	-	-
with Salt Spreader & Snow Plow	1	1	1	1	1	-	-	-	-	-
Garden	7	6	3	3	4	3	3	3	4	4
Wide Area Mower	1	1	1	1	1	1	1	1	1	1
Loader with Bucket	3	2	2	2	1	1	1	1	2	4
Rear Loader	1	1	1	1	1	1	1	1	-	-
	-	-	-	1	1	1	1	1	3	1

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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Equipment:										
Gas Tester	1	1	1	1	1	1	1	1	1	1
Arrowboard	2	2	2	2	2	2	2	2	2	2
Pump	2	2	2	2	1	2	1	2	2	2
Snow Blower	4	3	3	3	1	2	1	2	1	1
Traffic Counter	8	8	8	8	5	2	6	3	4	5
Star Drill	1	1	1	1	1	1	1	1	1	1
Trailer	4	4	4	4	4	4	4	4	5	4
Sign Driver	1	1	1	1	1	1	1	1	1	1
Auger	2	2	2	2	2	1	1	1	1	4
Street Sweeper	3	2	2	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	2	2	1
Compressor	-	2	2	1	1	1	2	2	2	2
Concrete Pavement Saw	2	2	2	2	2	2	2	2	2	1
Parking Lot Plow	-	2	2	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	4	4
Weed Eater	11	11	11	12	12	12	11	11	13	8
Weed Eater (brush cutter)	1	1	1	1	1	1	2	2	2	2
Rotary Lawn Mower	2	1	1	1	1	1	1	1	2	2
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	1	-	1	1	1	3	3	2	2
Maint. Drawn Tracor Blade	1	1	1	1	1	1	1	-	-	-
Sod Cutter	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	11	11
Power Pruner	3	3	3	3	3	3	3	3	2	2
Chipper Box	1	-	-	-	1	1	1	1	1	1
Fork Lift	1	1	1	1	1	1	1	1	1	1
Roller	1	1	-	-	-	-	-	-	-	-
Pressure Washer	1	1	1	1	1	1	1	1	1	2
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	-
Row Boat	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	1
Edger/Trimmer/Weed Eater	-	1	1	1	1	1	1	1	1	-
Pallet Forks	-	-	-	1	1	1	1	1	1	1
Jackhammer	-	-	-	1	1	1	1	1	1	1
Backhoe	-	-	-	1	1	1	1	1	1	1
Stump Grinder	-	-	-	1	1	1	1	1	1	1
Snow Pusher Blade	-	-	-	1	1	1	1	1	2	2
Auger bit 24"	-	-	-	1	1	1	1	1	1	1
Auger bit 36"	-	-	-	1	1	1	1	1	1	1
Grader	-	-	-	1	1	1	1	1	1	1
Soil Conditioner	-	-	-	1	1	1	1	1	1	1
Brush Hog	-	-	-	1	1	1	1	1	1	1

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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Parks &amp; Recreation</b>										
Parks:										
Active	8	8	8	8	8	8	8	8	8	12
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	83
Inactive	2	2	2	2	2	2	2	2	2	2
Tot Lots	2	2	2	1	2	2	2	2	2	1.6
Picnic areas	9	9	9	9	9	9	9	9	9	15.6
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	-	-	-	-	-	-	-	-	-
Pavilions	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
Freighthouse and Market Plaza	-	-	-	-	-	-	-	-	-	1
<b>Park and Play Area Acreage</b>										
Candy Cane Park	7	7	7	7	7	7	7	7	7	7
Carrie Mattingly Tot Lot	1	1	1	1	1	1	1	1	1	1
Charles Street Tot Lot	-	-	-	-	0.2	0.2	0.2	0.2	0.2	0.2
Edith Hefley Park	1	1	1	1	1	1	1	1	1	0.4
Frog Island Park	7	7	7	7	7	7	7	7	7	5
Gilbert Park	-	-	-	-	-	-	-	-	-	-
Parkridge Park Community Center	8	8	8	8	8	8	8	8	8	10
Peninsular Park	5	5	5	5	5	5	5	5	5	7
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	17
Waterworks Park	13	13	13	13	13	13	13	13	13	10
Spanish-American War Memorial	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Ainsworth Park	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Haab Brothers Memorial Park	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
River's Edge	-	-	-	-	6.5	6.5	6.5	6.5	6.5	6.5
<b>Picnic</b>										
Candy Cane 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
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
Spanish-American War Memorial	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Ainsworth Park	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Haab Brothers Memorial Park	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
River's Edge	-	-	-	-	6.5	6.5	6.5	6.5	6.5	6.5
<b>Pavilions</b>										
Recreation Park/Pool/Senior Center	1	1	1	1	1	1	1	1	1	1
Candy Cane Park	1	1	1	1	1	1	1	1	1	1
Prospect Park	2	2	2	2	2	2	2	2	2	2
Waterworks Park	1	1	1	1	1	1	1	1	1	1
Parkridge Park Community Center	1	1	1	1	1	1	1	1	1	1
Riverside Park	2	2	2	1	1	1	1	1	1	1
Peninsular Park	1	1	1	1	1	1	1	1	1	1

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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>City Attractions</b>										
Eastern Michigan Campus	1	1	1	1	1	1	1	1	1	1
Farmer's Market / Freighthouse	1	1	1	1	1	1	1	1	1	1
Michigan Firehouse Museum	1	1	1	1	1	1	1	1	1	1
Riverside Arts Center	1	1	1	1	1	1	1	1	1	1
Ypsilanti Automotive Heritage Collection	1	1	1	1	1	1	1	1	1	1
Ypsilanti District Library	1	1	1	1	1	1	1	1	1	1
Ypsilanti Historical Museum	1	1	1	1	1	1	1	1	1	1
Ypsilanti Water Tower	1	1	1	1	1	1	1	1	1	1
Ypsilanti West Commerce Park	1	1	1	1	1	1	1	1	1	1

Source: City of Ypsilanti Finance Department

**Schedule of Insurance**

As of June 30, 2022

Type of Coverage	Name of Company	Policy Period	Premium	Description
Michigan Municipal League Liability and Property Pool		8/01/21- 8/01/22	\$ 271,618	Covers general liability, police professional liability, and public officials errors & omissions. Limit of liability \$2,000,000.
Michigan Municipal League Liability and Property Pool		8/01/21- 8/01/22	88,242	Covers automobiles.
Michigan Municipal League Liability and Property Pool		8/01/21- 8/01/22	32,824	Covers buildings, attached property, and equipment.
Meadowbrook Insurance Group		8/30/21- 8/30/22	1,498	Covers commercial storage tank.
Blue Cross - Blue Shield, EHIM, Sun Life, Dearborn National, Guardian, UNUM, HEALTH EQUITY, HC Waivers		7/01/21 - 6/30/22	3,028,264	Employee and retiree benefits: health, dental, prescription, life, vision, and long-term disability.
MML Liability & Property Pool		7/01/21 - 7/01/22	203,123	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. Starting November 1, 2016, Workers compensation and employers liability coverage with statutory limits. Inside/outside premises, depositors forgery, money order/counterfeit paper coverages. \$100,000 liability limit.

Source: City of Ypsilanti Finance Department