

YPSILANTI COMMUNITY UTILITIES AUTHORITY



www.ycua.org

Years Ended
August 31, 2023
and 2022

Annual
Comprehensive
Financial Report

Rehmann

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YPSILANTI COMMUNITY UTILITIES AUTHORITY

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INTRODUCTORY SECTION

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YPSILANTI COMMUNITY UTILITIES AUTHORITY

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February 27, 2024

**To the Commissioners of the Ypsilanti Community
Utilities Authority and Citizens of the Member Communities**

State law requires that all local governments, subject to certain size criteria, publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the Ypsilanti Community Utilities Authority ("YCUA" or the "Authority") for the fiscal year ended August 31, 2023.

This report consists of management's representations concerning the finances of the Authority. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, YCUA management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Authority's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Authority'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 that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Authority's financial statements have been audited by Rehmann Robson LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended August 31, 2023 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that YCUA's financial statements for the fiscal year ended August 31, 2023 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Authority's MD&A can be found immediately following the report of the independent auditors.

Profile of the Authority

YCUA provides water and wastewater services to the Ypsilanti area. The Authority is governed by a Board of Commissioners comprised of two representatives from the City of Ypsilanti (the “City”) and three from the Charter Township of Ypsilanti (the “Township”).

The Authority provides water and sewage services to the City and Township, as well as the townships of Pittsfield, Augusta, York and Superior. YCUA also contracts with Sumpter Township for wastewater treatment and Western Townships Utility Authority to provide wastewater treatment services for the townships of Canton, Northville and Plymouth.

The Authority was formed in 1974 by the Township and City in response to a number of factors occurring at that time. The need for a new wastewater treatment facility was the most significant driving force to bring about the creation of YCUA. By combining the water and sewer departments of both the City and Township, economic benefits through the elimination of staff duplication and economies of scale could be achieved. The fact that the City is almost completely surrounded by the Township makes the combination of the two systems an obvious economic advantage.

The current wastewater plant was opened in 1982 with a capacity of 28.9 million gallons per day (MGD). The wastewater treatment consists of primary screening, grit removal, primary clarification, and secondary and tertiary treatment utilizing the activated sludge process. A permit is issued from the Michigan Department of Environment, Great Lakes and Energy (EGLE) that regulates the discharge from the wastewater treatment plant. This permit requires stable effluent treatment levels and the plant currently is in compliance with its permit.

Growth in the Wayne County townships of Plymouth, Canton and Northville resulted in a request by Western Townships Utilities Authority (WTUA, the organization that represents the three townships) to expand the plant to treat the wastewater generated by these communities. Presently, the wastewater from the three communities is divided between the YCUA and Wayne County systems.

Construction on the plant expansion and improvements project, which increased the YCUA wastewater facility treatment capacity by 17 MGD to 45.9 MGD, began in 2002 with completion in 2010. The expanded capacity is for the WTUA, which is presently negotiating with Wayne County and is anticipated a majority of the sewage from Northville, Plymouth and Canton Townships will be diverted to YCUA upon completion of those negotiations. The construction updated equipment, adding additional odor controls, safer disinfection equipment and a more efficient incinerator for burning sewage sludge, which replaced a multiple hearth unit. Air incineration emissions have been reduced by more than 80%. Eight MGD capacity has been leased to WTUA, which helped pay for many of these improvements. The Authority requested and was granted an updated wastewater treatment plant design capacity from the Michigan Department of Environment Quality in 2009. The new design capacity is for 51.2 MGD. Of the 51.2 MGD of total capacity, WTUA now has rights to use up to 54% of the total plant capacity.

Improvements to headworks odor control system and influent well as well as replacement of the original ultraviolet disinfection system equipment at the wastewater treatment plant (WWTP) were funded by Clean Water State Revolving Fund (CWSRF) loans that closed during the 2022-2023 fiscal year. Replacement of old and undersized water mains along with numerous lead water services continued in the City of Ypsilanti. Design work for future improvements to several water booster stations in both the City and Township continued.

Cash management policies and practices. The Authority is very conservative in its approach to cash management. Generally, cash is deposited in receiving bank accounts and then transferred to and between a variety of other bank accounts, many of which are interest bearing including money market and cash management accounts and certificates of deposit. These transfers are made to satisfy various requirements imposed, or interpreted to be imposed, by the member governments and bond ordinances.

Pension and other postemployment benefits. The Authority participates in an agent multiple-employer plan that provides pension benefits for all full-time employees. The annual actuarial valuation for this plan shows that it is 61.46% funded as of December 31, 2022 (the date of the latest actuarial valuation). The remaining unfunded amount is being systematically funded over 20 years as part of the annual determined contribution calculated by the actuary.

The Authority also provides postemployment health care benefits to all full-time employees upon retirement hire before 2014. As of June 30, 2022, the date of the most recent actuarial valuation, there were 95 retired employees receiving these benefits. In September 2005, the Authority adopted the Michigan Municipal Employees' Retirement System (MERS) Retiree Health Funding Vehicle to fund the obligation. The annual actuarial valuation for this plan shows that it is 99.04% funded as June 30, 2023.

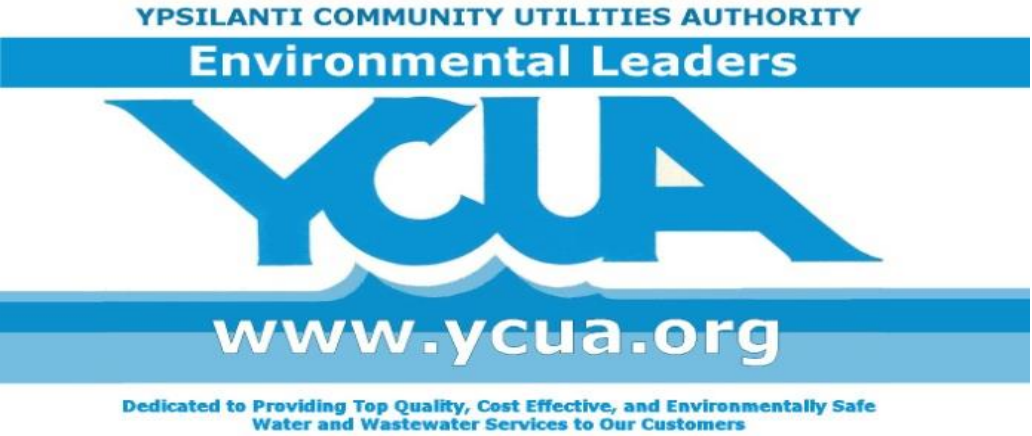
Further information regarding the Authority's retirement and other postemployment benefits plans can be found in Notes 10 and 11 in the notes to the financial statements.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Ypsilanti Community Utilities Authority. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the Board of Commissioners for their support in maintaining the highest standards of professionalism in the management of the Authority's finances.

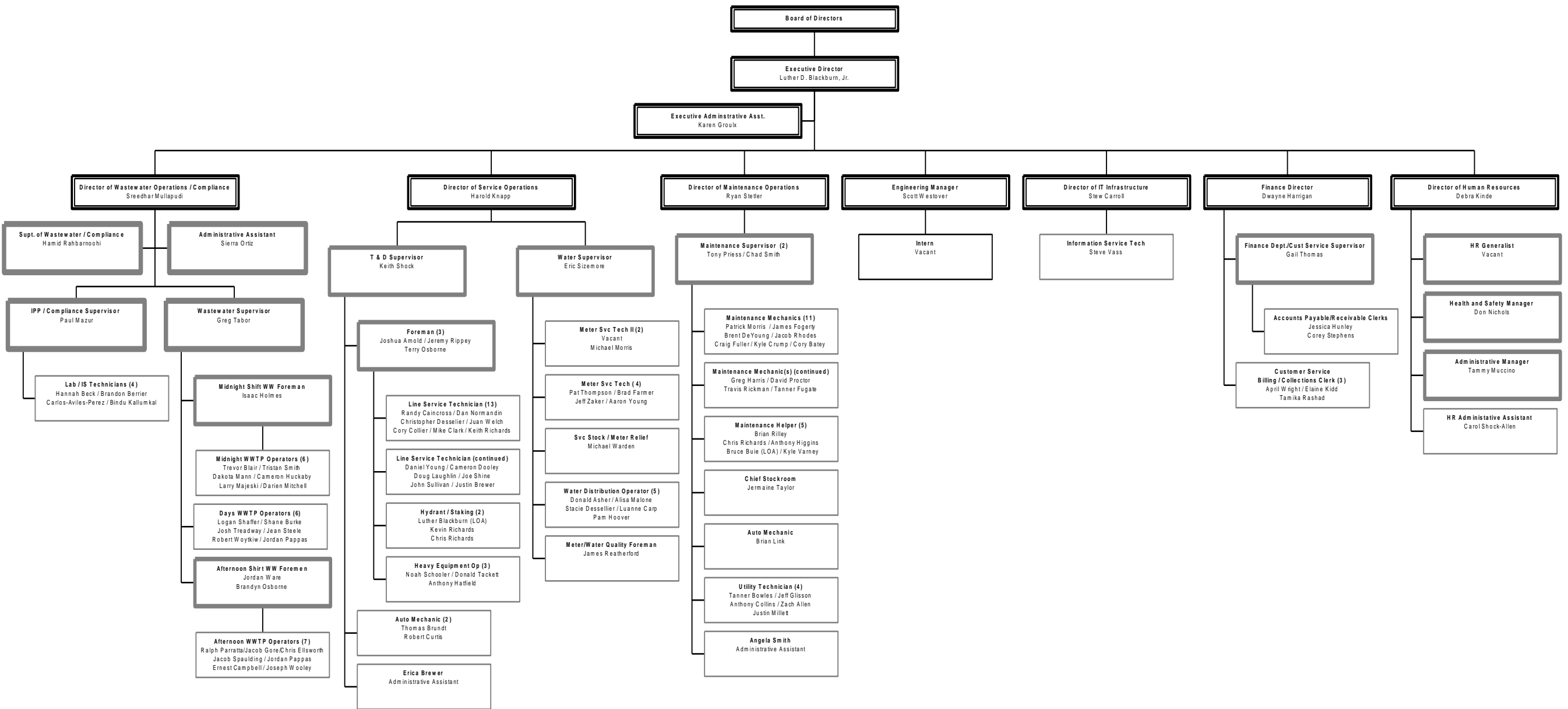
Luther Blackburn
Executive Director

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August 2023

Organizational Chart



YPSILANTI COMMUNITY UTILITIES AUTHORITY

PRINCIPAL OFFICIALS

At August 31, 2023

Board of Commissioners

Michael Bodary, Chair
City of Ypsilanti

Gloria C. Peterson, Vice Chair, Charter Township of Ypsilanti

Jon R. Ichesco, Treasurer, City of Ypsilanti

Larry J. Doe, Commissioner, Charter Township of Ypsilanti

David Ostrowski, Commissioner, Charter Township of Ypsilanti

Executive Director

Luther Blackburn

Finance Director

Dwayne Harrigan

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

February 27, 2024

Board of Commissioners
Ypsilanti Community Utilities Authority
Ypsilanti, Michigan

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities, the major fund, and the aggregate remaining fund information of the ***Ypsilanti Community Utilities Authority*** (the "Authority"), as of and for the years ended August 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Authority, as of August 31, 2023 and 2022, and the changes in net position and cash flows thereof, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Authority 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 opinion.

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 Authority'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 opinion. 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 Authority'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 Authority'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, 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 Authority's basic financial statements. The supplementary 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 were 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 supplementary 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated February 27, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YPSILANTI COMMUNITY UTILITIES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Ypsilanti Community Utilities Authority (the "Authority" or "YCUA"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal years ended August 31, 2023, 2022 and 2021. We encourage readers to consider the information presented herein in conjunction with additional information that we have furnished in our letter of transmittal, as listed in the table of contents.

Financial Highlights

	2023	2022
· Total net position	\$ 118,045,466	\$ 121,149,592
· Change in total net position	(3,104,126)	(2,353,470)
· Unrestricted (deficit)	(14,978,067)	(12,592,085)
· Installment debt outstanding	61,866,208	68,562,630
· Change in installment debt outstanding	(6,696,422)	11,026,011

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The basic financial statements are comprised of:

- The *statement of net position* presents information on all of the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the residual 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 Authority is improving or deteriorating.
- The *statement of revenues, expenses and changes in net position* presents information showing how the Authority's net position changed during the two most recent fiscal years. 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 for some items that will only result in cash flows in future fiscal periods.
- The *statement of cash flows* presents the change in the Authority's cash and investments for the two most recent fiscal years.
- The *statement of fiduciary net position* presents information on the Retiree Healthcare Trust Fund's assets, which equal its *net position*.
- The *statement of changes in fiduciary net position* presents information showing the additions to and deductions from the Retiree Healthcare Trust Fund's net position during the two most recent fiscal years.
- The *notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

This report also contains other supplementary information in addition to the basic financial statements themselves. Generally, these schedules provide a breakdown of revenue and expenses between the political subdivisions (i.e., the City and Township) and/or the primary operating functions (i.e., water and wastewater), along with a comparison of planned and actual expenses.

The Authority presents its supplementary financial information classified into the divisions of city, township, water and wastewater. The city and township divisions together comprise the activity of the Authority in total. The water and wastewater divisions together also comprise the activity of the Authority in total. The water and wastewater divisions assist management in assessing the financial activity of the Authority's principal functions. The city and township divisions assist the member communities in assessing the impact of operations on their constituents.

The Authority operates a single wastewater treatment plant, obtains its water from a single source and maintains a single group of related supporting functions. It is not possible to directly associate the cost of these activities to the city or township divisions. Instead, the reporting by division is achieved by allocating particular revenue and expense account balances using relevant objective measures. Similar allocations are used to produce financial information for the water and wastewater divisions.

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 YCUA, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$118.0 million at the close of the most recent fiscal year.

By far the largest portion of the Authority's net position is its net investment in capital assets (e.g., land, construction in progress, buildings and improvements, wastewater treatment plant, water and wastewater systems, vehicles and equipment), less any related debt used to acquire those assets that is still outstanding. The Authority uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although YCUA's net investment in 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.

An additional portion of the Authority's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the Authority's ongoing obligations to system users and creditors.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

	YCUA's Net Position		
	2023	2022	2021
Current and other assets	\$ 10,362,023	\$ 11,587,439	\$ 10,607,182
Restricted assets	14,636,220	20,900,763	13,713,758
Capital assets	182,265,233	184,127,280	184,213,613
Net other postemployment benefit asset	-	-	3,362,680
Total assets	<u>207,263,476</u>	<u>216,615,482</u>	<u>211,897,233</u>
Deferred outflows of resources	<u>10,948,936</u>	<u>9,769,402</u>	<u>7,656,499</u>
Other liabilities	7,137,076	6,862,565	6,748,896
Long-term liabilities	90,867,241	92,241,400	82,177,477
Total liabilities	<u>98,004,317</u>	<u>99,103,965</u>	<u>88,926,373</u>
Deferred inflows of resources	<u>2,162,629</u>	<u>6,131,327</u>	<u>7,124,297</u>
Net position			
Net investment in capital assets	120,762,876	121,568,044	125,575,029
Restricted	12,260,657	12,173,633	15,390,269
Unrestricted (deficit)	<u>(14,978,067)</u>	<u>(12,592,085)</u>	<u>(17,462,236)</u>
Total net position	<u>\$ 118,045,466</u>	<u>\$ 121,149,592</u>	<u>\$ 123,503,062</u>

YPSILANTI COMMUNITY UTILITIES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

At the end of the current and prior fiscal year, the Authority reported an unrestricted deficit in net position due primarily to the net pension liability and related amounts.

	YCUA's Change in Net Position		
	2023	2022	2021
Operating revenues	\$ 44,918,203	\$ 43,333,606	\$ 40,378,749
Operating expenses			
Water distribution	20,040,502	19,276,663	18,357,879
Wastewater treatment	27,116,600	25,068,617	25,625,615
Total operating expenses	47,157,102	44,345,280	43,983,494
Operating loss	(2,238,899)	(1,011,674)	(3,604,745)
Nonoperating revenue (expenses)	(1,175,014)	(1,341,796)	(1,146,011)
Loss before contributions	(3,413,913)	(2,353,470)	(4,750,756)
Capital contributions	309,787	-	-
Change in net position	(3,104,126)	(2,353,470)	(4,750,756)
Net position, beginning of year	121,149,592	123,503,062	128,253,818
Net position, end of year	<u>\$ 118,045,466</u>	<u>\$ 121,149,592</u>	<u>\$ 123,503,062</u>

The Authority's net position decreased by \$3.1 million and \$2.4 million for fiscal 2023 and 2022, respectively.

Key elements of the 2023 changes include:

- Water operating revenues increased by approximately \$0.7 million (or 2.9%). There was a decrease in consumption of 2.5% and a 4.0% increase in water rates in the City and the Township. Corresponding direct costs for water distribution increased by approximately \$0.4 million.
- Sewage operating revenues increased by approximately \$0.9 million (or 4.5%). Direct costs for treatment increased by approximately \$1.5 million. Total direct costs for wastewater treatment expense increased by 8.4%. Consumption decreased by approximately 6.7%.
- Total operating expenses increased by approximately \$2.8 million (or 6.3%).
- The city division increased sewer rates by 4.0% and water rates by 4.0%. These rates all became effective October 21, 2022.
- The township division sewer rates increased by 4.0% and water rates increased by 4.0%. These rate increases became effective October 21, 2022.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Key elements of the 2022 changes include:

- Water operating revenues increased by approximately \$1.1 million (or 5.1%). There was an increase in consumption of 5.5% and a 2.0% increase in water rates in the City and the Township. Corresponding direct costs for water distribution increased by approximately \$0.5 million.
- Sewage operating revenues increased by approximately \$1.9 million (or 9.9%). Direct costs for treatment decreased by approximately \$1.5 million. Total direct costs for wastewater treatment expense decreased by 8.25%. Consumption increased by approximately 6.3%.
- Total operating expenses increased by approximately \$0.4 million (or 0.82%).
- The city division increased sewer rates by 2.0% and water rates by 2.0%. These rates all became effective October 21, 2021.
- The township division sewer rates increased by 2.0% and water rates increased by 2.0%. These rate increases became effective October 21, 2021.

Capital Assets and Debt Administration

Capital assets. The Authority's investment in capital assets as of August 31, 2023 amounted to \$182.3 million (net of accumulated depreciation). This investment in capital assets includes land, construction in process, buildings and improvements, wastewater treatment plant, water and wastewater systems, vehicles, and equipment. Total net capital assets decreased by \$1.9 million (or 1.0%). The net decrease is primarily attributable to depreciation in excess of current year additions.

	YCUA's Capital Assets (Net of Depreciation)		
	2023	2022	2021
Land	\$ 1,298,704	\$ 1,298,704	\$ 1,298,704
Construction in progress	15,875,949	13,710,500	9,048,629
Buildings and improvements	384,623	439,022	497,424
Wastewater treatment plant	56,379,603	57,106,959	60,357,867
Water and wastewater systems	106,606,710	109,732,348	111,279,509
Vehicles	967,368	990,225	935,007
Equipment	752,276	849,522	796,473
Total	<u>\$ 182,265,233</u>	<u>\$ 184,127,280</u>	<u>\$ 184,213,613</u>

Additional information on the Authority's capital assets can be found in Note 6.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Bonds and Other Long-term Liabilities. At year-end, the Authority had \$61.9 million of installment debt, including limited tax obligation and revenue bonds.

	YCUA's Outstanding Debt		
	2023	2022	2021
Limited tax obligation bonds	\$ 56,246,208	\$ 59,147,630	\$ 47,371,619
Revenue bonds	5,620,000	9,415,000	10,165,000
Environmental liability	1,041,456	1,041,456	1,041,456
Total	<u>\$ 62,907,664</u>	<u>\$ 69,604,086</u>	<u>\$ 58,578,075</u>

Additional information on the Authority's bonds and other long-term liabilities can be found in Note 7.

Economic Factors Affecting Next Year's Operations and Rates

The City and Township independently set their own water rates. In October 2018, YCUA changed the rate structure to the residents of Ypsilanti Township and City of Ypsilanti. YCUA eliminated the minimum usage charge and incorporated the surcharge in to the new rate system. The new rate structure incorporates a readiness to serve charge along with a consumption charge.

Water and wastewater revenues fluctuate from year to year depending on factors such as consumer behavior, population growth, industrial usage and rate changes. Consumer behavior is affected by local economic conditions, the weather, conservation education efforts and imposition of water restrictions.

Other factors also affect the Authority's operating plan for fiscal 2024. The most significant among them are changes in consumer behavior in response to local economic conditions, the effects of inflation on the local labor market and health care costs, the ongoing impacts on consumption from COVID-19, and the rates charged by the Authority's water supplier (i.e., the Great Lakes Water Authority or GLWA).

The main drivers of the Authority's fiscal year 2024 budget are the management of record-high inflation and continued investment in the system's infrastructure. The Authority's analysis of usage for the previous five years shows that 2018 was a record year for the Authority with 2022 being a rebound year.

The Authority's operating budget for fiscal 2024 is approximately \$49 million; key provisions include:

- Operating revenue increased to \$48.4 million, attributable to an increase in water rates along with a decrease consumption due to little or no growth in our residential and manufacturing customers.
- Operating expenses increases to \$49 million with a general increase in operating costs including an increase in the cost of water purchased from GLWA.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

The capital budget for fiscal 2024 totals approximately \$2.3 million due primarily to wastewater plant improvements and water main replacement projects. Delivering water to our customers and collecting and treating the wastewater generated are the primary functions of the Authority. In addition, planning for the future water and wastewater needs of our communities is a vital function. Other capital asset activity scheduled to occur includes:

- Many water mains and sanitary sewers within the City and Township have been identified as needing replacement, either because of age or inadequate size. These replacements are being scheduled as time and funds permit. In fiscal 2024, about 2.6 miles of water main replacement are scheduled for replacement.

Requests for Information

This financial report is designed to provide a general overview of YCUA's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ypsilanti Community Utilities Authority, Accounting Department, 2777 State Road, Ypsilanti, Michigan 48198.

BASIC FINANCIAL STATEMENTS

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Statements of Net Position

	August 31,	
	2023	2022
Assets		
Current assets:		
Cash and investments	\$ -	\$ 1,391,300
Receivables, net	8,326,587	7,873,511
Leases receivable	16,390	15,325
Inventories	1,647,679	1,534,928
Prepaid items	19,296	351,591
Total current assets	10,009,952	11,166,655
Noncurrent assets:		
Restricted assets:		
Cash and investments	12,779,883	18,407,495
Bond reserve funds held by City of Ypsilanti	1,856,337	2,493,268
Receivables, long-term portion	-	52,323
Leases receivable, long term portion	352,071	368,461
Capital assets not being depreciated	17,174,653	15,009,204
Capital assets being depreciated, net	165,090,580	169,118,076
Total noncurrent assets	197,253,524	205,448,827
Total assets	207,263,476	216,615,482
Deferred outflows of resources		
Deferred pension amounts	7,787,148	5,490,583
Deferred other postemployment benefit amounts	2,979,898	4,008,207
Deferred charge on refunding	181,890	270,612
Total deferred outflows of resources	10,948,936	9,769,402
Liabilities		
Current liabilities:		
Negative equity in unrestricted cash and investments	416,034	-
Accounts payable	3,836,628	4,045,493
Retentions, deposits and other liabilities	1,998,188	1,718,737
Accrued interest payable	657,795	795,875
Unearned revenue	228,431	302,460
Current portion of:		
Bonds and environmental liability	5,467,003	6,789,538
Accrued compensated absences	428,878	477,393
Total current liabilities	13,032,957	14,129,496
Noncurrent liabilities:		
Bonds and other long-term liabilities, net of current portion:		
Bonds payable	58,406,545	64,117,970
Environmental liability	591,456	591,456
Accrued compensated absences	428,878	477,393
Net pension liability	25,245,745	19,014,643
Net other postemployment benefit liability	298,736	773,007
Total noncurrent liabilities	84,971,360	84,974,469
Total liabilities	98,004,317	99,103,965
Deferred inflows of resources		
Deferred pension amounts	369,405	3,767,161
Deferred other postemployment benefit amounts	1,424,763	1,980,380
Deferred lease amounts	368,461	383,786
Total deferred inflows of resources	2,162,629	6,131,327
Net position		
Net investment in capital assets	120,762,876	121,568,044
Restricted for special purposes	12,260,657	12,173,633
Unrestricted (deficit)	(14,978,067)	(12,592,085)
Total net position	\$ 118,045,466	\$ 121,149,592

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

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Statements of Revenues, Expenses and Changes in Net Position

	For the Year Ended August 31,	
	2023	2022
Operating revenues		
Water sales	\$ 18,859,793	\$ 18,413,165
Sewage disposal sales	16,437,609	16,299,542
Surcharges and other usage fees:		
Capital improvement surcharge	6,622,844	6,368,752
Construction reserve	314,215	259,319
Environmental reserve	117,477	97,177
Other operating revenue	2,566,265	1,895,651
Total operating revenues	<u>44,918,203</u>	<u>43,333,606</u>
Operating expenses		
Water distribution	12,928,888	12,484,192
Wastewater treatment	18,622,910	17,177,321
Wastewater pump stations	1,805,255	1,549,093
Industrial surveillance	744,906	693,281
Transmission and distribution	8,958,287	8,326,954
Meter service	1,398,616	1,590,100
Customer accounting and collections	613,000	555,473
General and administration	2,085,240	1,968,866
Total operating expenses	<u>47,157,102</u>	<u>44,345,280</u>
Operating loss	<u>(2,238,899)</u>	<u>(1,011,674)</u>
Nonoperating revenues (expenses)		
Investment earnings	544,225	241,023
Connection fees	68,765	99,680
Interest and amortization expense	(1,789,070)	(1,684,375)
Other nonoperating revenues	1,066	1,876
Total nonoperating revenues (expenses)	<u>(1,175,014)</u>	<u>(1,341,796)</u>
Loss before capital contributions	(3,413,913)	(2,353,470)
Capital contributions	<u>309,787</u>	<u>-</u>
Change in net position	(3,104,126)	(2,353,470)
Net position, beginning of year	<u>121,149,592</u>	<u>123,503,062</u>
Net position, end of year	<u>\$ 118,045,466</u>	<u>\$ 121,149,592</u>

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

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Statements of Cash Flows

	For the Year Ended August 31,	
	2023	2022
Cash flows from operating activities		
Receipts from customers and users	\$ 44,517,450	\$ 43,443,236
Payments to suppliers	(22,472,403)	(18,074,307)
Payments to employees and employee benefits	(13,169,183)	(16,608,523)
Net cash provided by operating activities	<u>8,875,864</u>	<u>8,760,406</u>
Cash flows from capital and related financing activities		
Proceeds from issuance of and draws on bonds	1,025,578	15,453,011
Proceeds from original issuance premiums on bonds	-	731,923
Change in bond reserve funds on deposit with the City of Ypsilanti	636,931	(6,085)
Acquisition and construction of capital assets	(8,689,409)	(11,279,567)
Principal payments on bonds	(7,722,000)	(4,427,000)
Interest payments on bonds	(2,175,966)	(1,627,937)
Receipts from connection fees	68,765	99,680
Net cash used in capital and related financing activities	<u>(16,856,101)</u>	<u>(1,055,975)</u>
Cash flows from investing activities		
Earnings received on investments	<u>545,291</u>	<u>242,899</u>
Net change in cash and investments	<u>(7,434,946)</u>	<u>7,947,330</u>
Cash and investments, beginning of year	<u>19,798,795</u>	<u>11,851,465</u>
Cash and investments, end of year	<u>\$ 12,363,849</u>	<u>\$ 19,798,795</u>
Reconciliation to statements of net position		
Cash and investments	\$ -	\$ 1,391,300
Restricted cash and investments	<u>12,779,883</u>	<u>18,407,495</u>
Total cash and investments	<u>\$ 12,779,883</u>	<u>\$ 19,798,795</u>

continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Statements of Cash Flows

	For the Year Ended August 31,	
	2023	2022
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	\$ (2,238,899)	\$ (1,011,674)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	10,861,243	11,365,900
Changes in current assets and liabilities:		
Receivables	(400,753)	109,630
Inventories	(112,751)	(64,038)
Prepaid items	332,295	(273,752)
Net other postemployment benefit asset	-	3,362,680
Deferred outflow of resources - pension amounts	(2,296,565)	(1,325,480)
Deferred outflow of resources - other postemployment benefit amounts	1,028,309	(886,274)
Accounts payable	(208,865)	(301,672)
Retentions, deposits and other liabilities	279,451	223,310
Unearned revenue	(74,029)	(74,029)
Accrued compensated absences	(97,030)	(106,924)
Net pension liability	6,231,102	(2,051,621)
Net other postemployment benefit liability	(474,271)	773,007
Deferred inflow of resources - pension amounts	(3,397,756)	1,849,065
Deferred inflow of resources - other postemployment benefit amounts	(555,617)	(2,827,722)
Net cash provided by operating activities	<u>\$ 8,875,864</u>	<u>\$ 8,760,406</u>
Noncash items		
Capital contributions from developers	<u>\$ 309,787</u>	<u>\$ -</u>

concluded.

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

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Statements of Fiduciary Net Position

Fiduciary Fund
Retiree Healthcare Trust Fund

	August 31,	
	2023	2022
Assets		
Investments -		
MERS total market portfolio	<u>\$ 30,877,945</u>	<u>\$ 29,932,544</u>
Net position		
Restricted for other postemployment benefits	<u>\$ 30,877,945</u>	<u>\$ 29,932,544</u>

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

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Statements of Changes in Fiduciary Net Position

Fiduciary Fund

Retiree Healthcare Trust Fund

	For the Year Ended August 31,	
	2023	2022
Additions		
Contributions -		
Employer	\$ 517,277	\$ 445,430
Investment income (loss)		
Net change in fair value of investments	<u>2,172,763</u>	<u>(2,649,475)</u>
Total additions	<u>2,690,040</u>	<u>(2,204,045)</u>
Deductions		
Benefit payments	1,689,376	1,248,302
Administrative expenses	<u>55,263</u>	<u>58,558</u>
Total deductions	<u>1,744,639</u>	<u>1,306,860</u>
Change in net position	945,401	(3,510,905)
Net position, beginning of year	<u>29,932,544</u>	<u>33,443,449</u>
Net position, end of year	<u><u>\$ 30,877,945</u></u>	<u><u>\$ 29,932,544</u></u>

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

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NOTES TO THE FINANCIAL STATEMENTS

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The accompanying financial statements present the activities of the Ypsilanti Community Utilities Authority (the "Authority" or "YCUA"). The Authority has one component unit – i.e., a legally separate entity for which the Authority is financially accountable. The Authority is not reported as a component unit of another government.

The Authority was formed on March 19, 1974, when the City of Ypsilanti (the "City") and Ypsilanti Township (the "Township") entered into an agreement to create a utility authority pursuant to Public Act 233 of 1955, as amended. The two governments approved the Authority's Articles of Incorporation on September 3, 1974.

On October 1, 1974, a contract was executed between the Authority and the two governments giving the Authority the responsibility for providing water distribution and wastewater treatment services to residents of the City and Township. This responsibility includes all activities necessary to provide such services including but not limited to: administration, operations, maintenance, financing, debt service, billing and collections. The contract also permits the Authority to expand and improve both the water and wastewater systems.

A five-member board of commissioners governs the Authority. Three of the members are appointed by the Township, the other two are appointed by the City. In addition to serving residents of the City and Township, the Authority also sells water distribution and wastewater treatment services capacity to neighboring governments under contractual agreements.

Any rate changes, including increases, must be approved by the Authority Board, as well as the governing board of either the City or Township depending on the particular service and service area. That is, the Ypsilanti City Council has the ultimate rate setting responsibility for users located in the City, whereas the Ypsilanti Township Board of Trustees has the ultimate responsibility for users located in the Township.

Fiduciary Component Unit

The Ypsilanti Community Utilities Authority Other Postemployment Benefits Plan (the "Plan"), is a single-employer defined benefit postemployment healthcare plan that provides healthcare benefits to certain full time employees upon retirement, in accordance with labor agreements. The Plan is included as a fiduciary component unit of the Authority because: (1) the Plan is a legally separate entity; (2) the Board of Commissioners appoints a voting majority of the trustees - in the case of the MERS RHFV the Board of Commissioners is the Fiduciary for the plan with MERS acting as the program administrator; and (3) the Authority makes contributions to the Plan on behalf of its participants. The Plan provisions are established and may be amended by the Board of Commissioners, subject to the Authority's various collective bargaining agreements.

Basis of Presentation / Measurement Focus / Basis of Accounting

The proprietary fund and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to the Financial Statements

The Authority reports the following major proprietary fund -

The Ypsilanti Community Utilities Authority *Enterprise Fund* provides water and wastewater services to the residents of the City of Ypsilanti, Michigan, Ypsilanti Township, and other adjacent municipalities.

Additionally, the Authority reports the following fund type -

Other Postemployment Benefits Trust Fund accounts for the activities of the Retiree Healthcare Trust Fund, which accumulate resources for other postemployment benefit payments to qualified employees.

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, which for the Authority is water distribution and wastewater treatment. Operating expenses 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.

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

Deposits and Investments

The Authority'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.

State statutes authorize local governments 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. Investments are stated at fair value.

Leases

Lessor. The Authority is a lessor for noncancellable leases of land and buildings. The Authority recognizes a lease receivable and a deferred inflow of resources in the Authority's statement of net position.

At the commencement of a lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for prepaid lease payments received at lease inception. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Authority determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The Authority uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to the Financial Statements

Receivables

Trade receivables are shown net of an allowance for uncollectible non-residential accounts; an allowance is not made for residential accounts since any such delinquencies may be added to the City and/or Township property tax rolls for collection.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Restricted Assets

The proceeds of certain bond issues, as well as certain other resources, are classified as restricted assets on the statement of net position to indicate that their use is limited as stipulated by contract or ordinance.

Capital Assets

Capital assets, which include property, plant and equipment, are recorded at cost. The Authority defines capital assets as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. Donated capital assets, if any, 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 assets or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Assets	Years
Buildings and improvements	40
Wastewater treatment plant	5-50
Water and wastewater systems	5-50
Vehicles	5-20
Equipment	5-20

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources until then. The Authority reports a deferred charge on refunding, which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The Authority also reports deferred outflows of resources related to the net pension liability and net other postemployment benefit liability. A portion of these costs represent contributions to the plan subsequent to the plan measurement date.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to the Financial Statements

Compensated Absences

It is the Authority's policy to permit employees to accumulate earned but unused vacation and sick leave pay benefits, subject to certain limitations. All vacation and sick pay are accrued when incurred since 100 percent of the unused benefits are payable upon employee separation from service with the Authority.

Long-term Obligations

Bonds and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time of issuance.

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 represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources until that time. The Authority reports deferred inflows of resources related to its pension, other postemployment benefits plans, and leases.

Pensions and Other Postemployment Benefits (OPEB)

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

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. BUDGETARY INFORMATION

State statutes provide that local units shall adopt budget appropriations for general and special revenue funds (i.e., governmental fund types); as such, the Authority is not required to adopt a budget for State compliance purposes. However, under its contract with the City and Township, the Authority is required to prepare an annual operating budget that is subject to review and approval by the Authority Board, as well as the governing boards of the City and Township.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to the Financial Statements

3. DEPOSITS AND INVESTMENTS

Following is a summary of deposit and investment balances as of August 31:

	2023	2022
Statement of Net Position		
Cash and investments	\$ -	\$ 1,391,300
Negative equity in unrestricted cash and investments	(416,034)	-
Restricted cash and investments	12,779,883	18,407,495
Statement of Fiduciary Net Position		
Investments	30,877,945	29,932,544
Total	<u>\$ 43,241,794</u>	<u>\$ 49,731,339</u>
Deposits and Investments		
Bank deposits (checking accounts, savings accounts, money market accounts and certificate of deposits)	\$ 12,363,699	\$ 19,798,645
Investments - Retiree healthcare trust fund	30,877,945	29,932,544
Cash on hand	150	150
Total	<u>\$ 43,241,794</u>	<u>\$ 49,731,339</u>

Authority

Custodial Credit Risk - Deposits. For deposits, custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to the government. As of August 31, 2023, \$11,440,022 of the Authority's total bank balance of \$13,186,590 (total book balance was \$12,363,699) was exposed to custodial credit risk as it was uninsured and uncollateralized. As of August 31, 2022, \$19,111,198 of the Authority's total bank balance of \$21,361,198 (total book balance was \$19,798,645) was exposed to custodial credit risk as it was uninsured and uncollateralized.

The Authority's investment policy does not specifically address this risk, although the Authority 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 Authority evaluates each financial institution with which it deposits Authority funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Retiree Healthcare Trust Fund

The retiree healthcare trust fund (the "Fund") investments are maintained separately from the Authority's cash and investments, and are subject to separate investment policies and state statutes. Accordingly, the required disclosures for the Fund's investments are presented separately.

The Public Employee Retirement System Investment Act, Public Act 314 of 1965, as amended, authorizes the fund to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations. The Authority has the responsibility and authority to oversee the investment portfolio. A professional investment manager is contracted to assist in managing the Fund's assets.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to the Financial Statements

The Fund's investments are held in an administered trust account. As of August 31, 2023 and 2022, the Fund's investments of \$30,877,945 and \$29,932,544, respectively, were invested in the Municipal Employees' Retirement System (MERS) total market portfolio.

Credit Risk. As of August 31, 2023 and 2022, the Fund's investments were not rated.

The Authority's policy is to comply with Public Act 314 as referenced above; such statute does not provide specific guidelines regarding credit risk.

Custodial Credit Risk. The Authority does not have a policy regarding custodial credit risk for the Fund's investments. However, while uninsured and unregistered, the Fund's investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department in the Authority's name.

Concentration of Credit Risk. At August 31, 2023 and 2022, the Fund investment portfolio holdings were not concentrated (i.e., no more than 5% of the portfolio in issues of any one entity other than the federal government). The Authority's policy is to comply with Public Act 314 as referenced above.

Interest Rate Risk. As of August 31, 2023 and 2022, the Fund's investments had no maturity.

Fair Value

The Authority 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 in active markets for identical assets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. These levels are determined by the Authority'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 Authority's investment in the MERS total market portfolio had a recurring fair value measurement at level 1 as of August 31, 2023 and 2022.

4. RECEIVABLES

Receivables as of August 31 are summarized as follows:

	2023	2022
Accounts, net of \$25,000 allowance	\$ 8,317,004	\$ 7,802,016
Accrued investment interest	9,583	9,583
Special assessments and benefit charges	-	114,235
Total receivables	8,326,587	7,925,834
Less long-term portion of special assessments and benefit charges	-	(52,323)
Current portion of receivables	\$ 8,326,587	\$ 7,873,511

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to the Financial Statements

Special assessments receivable, which represent liens against the applicable properties are due in equal annual installments plus interest at 5.0% of the outstanding balance. The original maturity schedule ended December 2024. The Township paid off the remaining balance on the Sherman Oaks assessment during fiscal year 2023 leaving no remaining receivable balance as of August 31, 2023.

Leases Receivable

The Authority is involved in two agreements as a lessor that qualify as long-term lease agreements. Below is a summary of these agreements. These agreements qualify as long-term lease agreements as the Authority will not surrender control of the asset at the end of the term and the noncancelable term of the agreement surpasses one year. Total lease revenue for the years ended August 31, 2023, and August 31, 2022, was \$30,695 and \$30,275 respectively.

Asset Type	Remaining Term of Agreements
Land and buildings	6 to 21 years

5. RESTRICTED ASSETS

Restricted cash and investments as of August 31 are summarized as follows:

Description / Reference	2023	2022
Restricted cash reserves		
Township bond and interest reserve (Ordinance No. 11, section 13, amended by No. 47)	\$ 302,663	\$ 300,448
Township construction reserve surcharge (Ordinance No. 124, sections A(10) and B(9))	2,036,251	1,498,674
WWTP future construction reserve (WWTP construction agreement, as amended)	1,075,972	1,068,855
City construction reserve surcharge (Ordinance No. 697, section 2.137)	919,097	798,888
City debt retirement and capital improvement surcharge (Ordinance No. 696, amended by Ordinance No. 959)	415,019	414,396
Wastewater treatment plant improvement reserve (WTUA wastewater disposal agreement, as amended)	1,859,669	1,903,819
EPA replacement reserve (EPA regulatory requirements)	1,241,232	1,221,757
Township environmental reserve surcharge (Ordinance No. 11, section 9; amended by No. 134)	1,979,928	1,971,718
Construction project bond/capital lease proceeds (Bond ordinances)	574,490	501,810
Unexpended bond proceeds - M17 project	2,375,562	8,727,130
Total restricted assets	\$ 12,779,883	\$ 18,407,495

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to the Financial Statements

6. CAPITAL ASSETS

Capital assets activity for the year ended August 31, 2023 was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 1,298,704	\$ -	\$ -	\$ -	\$ 1,298,704
Construction in progress	13,710,500	8,186,688	-	(6,021,239)	15,875,949
Total capital assets not being depreciated	15,009,204	8,186,688	-	(6,021,239)	17,174,653
Capital assets being depreciated:					
Buildings and improvements	2,216,082	-	-	-	2,216,082
Wastewater treatment plant	201,550,037	-	-	5,377,433	206,927,470
Water and wastewater systems	211,595,313	679,237	-	643,806	212,918,356
Vehicles	5,077,516	133,271	-	-	5,210,787
Equipment	7,234,507	-	-	-	7,234,507
Total capital assets being depreciated	427,673,455	812,508	-	6,021,239	434,507,202
Less accumulated depreciation for:					
Buildings and improvements	(1,777,060)	(54,399)	-	-	(1,831,459)
Wastewater treatment plant	(144,443,078)	(6,104,789)	-	-	(150,547,867)
Water and wastewater systems	(101,862,965)	(4,448,681)	-	-	(106,311,646)
Vehicles	(4,087,291)	(156,128)	-	-	(4,243,419)
Equipment	(6,384,985)	(97,246)	-	-	(6,482,231)
Total accumulated depreciation	(258,555,379)	(10,861,243)	-	-	(269,416,622)
Total capital assets being depreciated, net	169,118,076	(10,048,735)	-	6,021,239	165,090,580
Total capital assets, net	\$ 184,127,280	\$ (1,862,047)	\$ -	\$ -	\$ 182,265,233

Construction commitments

The Authority has ongoing construction projects with cumulative outstanding commitments of approximately \$14.9 million at year end. The projects are related to (1) a project to install a switch gear which will allow the water treatment plant to transfer the plant's energy load to an existing backup in the case of a power outage and (2) a water main replacement project along State Street in Ypsilanti Township, (3) improvements to the tertiary filtration system ultraviolet radiation channels, and (4) improvements to the headworks odor control system.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to the Financial Statements

Capital assets activity for the year ended August 31, 2022 was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 1,298,704	\$ -	\$ -	\$ -	\$ 1,298,704
Construction in progress	9,048,629	9,794,958	-	(5,133,087)	13,710,500
Total capital assets not being depreciated	10,347,333	9,794,958	-	(5,133,087)	15,009,204
Capital assets being depreciated:					
Buildings and improvements	2,216,082	-	-	-	2,216,082
Wastewater treatment plant	198,172,586	-	-	3,377,451	201,550,037
Water and wastewater systems	208,697,743	1,141,934	-	1,755,636	211,595,313
Vehicles	4,877,578	199,938	-	-	5,077,516
Equipment	7,091,770	142,737	-	-	7,234,507
Total capital assets being depreciated	421,055,759	1,484,609	-	5,133,087	427,673,455
Less accumulated depreciation for:					
Buildings and improvements	(1,718,658)	(58,402)	-	-	(1,777,060)
Wastewater treatment plant	(137,814,719)	(6,628,359)	-	-	(144,443,078)
Water and wastewater systems	(97,418,234)	(4,444,731)	-	-	(101,862,965)
Vehicles	(3,942,571)	(144,720)	-	-	(4,087,291)
Equipment	(6,295,297)	(89,688)	-	-	(6,384,985)
Total accumulated depreciation	(247,189,479)	(11,365,900)	-	-	(258,555,379)
Total capital assets being depreciated, net	173,866,280	(9,881,291)	-	5,133,087	169,118,076
Total capital assets, net	\$ 184,213,613	\$ (86,333)	\$ -	\$ -	\$ 184,127,280

Construction commitments

The Authority had ongoing construction projects with cumulative outstanding commitments of approximately \$3.2 million at August 31, 2022. The projects were related to (1) a project to install a switch gear which allowed the water treatment plant to transfer the plant's energy load to an existing backup in the case of a power outage and (2) a water main replacement project along State Street in Ypsilanti Township.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to the Financial Statements

7. BONDS AND OTHER LONG-TERM LIABILITIES

Limited tax general obligation bonds. The Authority issues bonds that are backed by the full faith and credit of the City or Township, but where the income derived from the acquired or constructed assets is intended to pay debt service. These bonds are issued as 10 to 20-year serial bonds with varying amounts of principal maturing each year. The original amount of bonds issued for the issues outstanding as of August 31, 2023 was \$96,802,304.

During fiscal 2023 and 2022, the cash draws against the Drinking Water Revolving Fund and Clean Water State Revolving Fund bonds amounted to \$1,025,578 and \$15,453,011, respectively, which were the project construction costs incurred during those years. The total amount authorized under these issues was \$38,098,349 of which \$15,361,096 is still available and expected to be drawn in future periods as of August 31, 2023.

Limited tax general obligation bonds outstanding at August 31, 2023 are as follows:

	Credit	Interest Rates	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2003 water (DWRf)	Twp	2.50%	\$ 387,426	\$ -	\$ (190,000)	\$ 197,426	\$ 197,426
2007 water (DWRf)	City	2.125%	103,702	-	(15,000)	88,702	20,000
2007 water (DWRf)	Twp	2.125%	705,075	-	(110,000)	595,075	115,000
2008 water (DWRf)	Twp	2.50%	448,213	-	(60,000)	388,213	60,000
2008 water (DWRf)	City	2.50%	174,253	-	(25,000)	149,253	25,000
2009 water (DWRf)	City	2.50%	69,029	-	(10,000)	59,029	10,000
2009 water (DWRf)	Twp	2.50%	118,566	-	(17,000)	101,566	17,000
2010 water (SRf)	Shared	2.50%	350,151	-	(35,000)	315,151	35,000
2010 water (SRf)	Twp	2.50%	1,402,658	-	(145,000)	1,257,658	150,000
2010 water (SRf)	Twp	2.50%	236,641	-	(25,000)	211,641	25,000
2012 water (DWRf)	Shared	2.50%	939,554	-	(75,000)	864,554	75,000
2012 water (DWRf)	City	2.50%	1,910,000	-	(140,000)	1,770,000	140,000
2012 water (DWRf)	Twp	2.50%	1,852,119	-	(165,000)	1,687,119	170,000
2012 water	Twp	2.0-4.0%	1,705,000	-	(120,000)	1,585,000	135,000
2012 water (DWRf)	Twp	2.00%	1,263,748	-	(105,000)	1,158,748	105,000
2013 water refunding	Twp	0.45-3.25%	2,365,000	-	(315,000)	2,050,000	180,000
2013 water (DWRf)	Shared	2.00%	738,207	-	(55,000)	683,207	55,000
2014 water (DWRf)	Shared	2.50%	3,148,036	-	(190,000)	2,958,036	195,000
2015 water (DWRf)	Shared	2.50%	310,000	-	(20,000)	290,000	20,000
2016 sewer refunding	Twp	2.0-4.0%	3,035,000	-	(295,000)	2,740,000	305,000
2017 sewer refunding	Twp	4.00%	5,895,000	-	(125,000)	5,770,000	125,000
2017 water (DWRf)	Shared	2.50%	1,470,699	-	(80,000)	1,390,699	80,000
2017 water (DWRf)	Twp	2.50%	3,171,426	-	(165,000)	3,006,426	170,000
2019 water (DWRf)	Shared	2.00%	8,710,000	-	(410,000)	8,300,000	415,000
2020 refunding	Twp	4.00%	700,000	-	(225,000)	475,000	235,000
2021 water (DWRf)	Shared	1.875%	2,636,564	319,436	(150,000)	2,806,000	155,000
2021 refunding	Twp	3.00%	2,205,000	-	(525,000)	1,680,000	545,000
2022 water	City	4.25-5.375%	11,900,000	-	-	11,900,000	225,000
2022 water (DWRf)	Twp	1.875%	1,071,488	653,015	(135,000)	1,589,503	135,000
2022 water (DWRf)	Shared	1.875%	125,075	3,127	-	128,202	130,000
2023 water (DWRf)	Shared	1.875%	-	50,000	-	50,000	-
			<u>\$ 59,147,630</u>	<u>\$ 1,025,578</u>	<u>\$ (3,927,000)</u>	<u>\$ 56,246,208</u>	<u>\$ 4,249,426</u>

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Notes to the Financial Statements

Limited tax general obligation bonds outstanding at August 31, 2022 are as follows:

	Credit	Interest Rates	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2003 water (DWRf)	Twp	2.50%	\$ 572,426	\$ -	\$ (185,000)	\$ 387,426	\$ 190,000
2007 water (DWRf)	City	2.125%	118,702	-	(15,000)	103,702	15,000
2007 water (DWRf)	Twp	2.125%	810,075	-	(105,000)	705,075	110,000
2008 water (DWRf)	Twp	2.50%	508,213	-	(60,000)	448,213	60,000
2008 water (DWRf)	City	2.50%	199,253	-	(25,000)	174,253	25,000
2009 water (DWRf)	City	2.50%	79,029	-	(10,000)	69,029	10,000
2009 water (DWRf)	Twp	2.50%	135,566	-	(17,000)	118,566	17,000
2010 water (SRF)	Shared	2.50%	385,151	-	(35,000)	350,151	35,000
2010 water (SRF)	Twp	2.50%	1,547,658	-	(145,000)	1,402,658	145,000
2010 water (SRF)	Twp	2.50%	261,641	-	(25,000)	236,641	25,000
2012 water (DWRf)	Shared	2.50%	1,014,554	-	(75,000)	939,554	75,000
2012 water (DWRf)	City	2.50%	2,045,000	-	(135,000)	1,910,000	140,000
2012 water (DWRf)	Twp	2.50%	2,012,119	-	(160,000)	1,852,119	165,000
2012 water	Twp	2.0-4.0%	1,820,000	-	(115,000)	1,705,000	120,000
2012 water (DWRf)	Twp	2.00%	1,363,748	-	(100,000)	1,263,748	105,000
2013 water refunding	Twp	0.45-3.25%	2,670,000	-	(305,000)	2,365,000	315,000
2013 water (DWRf)	Shared	2.00%	793,207	-	(55,000)	738,207	55,000
2014 water (DWRf)	Shared	2.50%	3,333,036	-	(185,000)	3,148,036	190,000
2015 water (DWRf)	Shared	2.50%	330,000	-	(20,000)	310,000	20,000
2016 sewer refunding	Twp	2.0-4.0%	3,320,000	-	(285,000)	3,035,000	295,000
2017 sewer refunding	Twp	4.00%	6,020,000	-	(125,000)	5,895,000	125,000
2017 water (DWRf)	Shared	2.50%	1,545,699	-	(75,000)	1,470,699	80,000
2017 water (DWRf)	Twp	2.50%	3,331,426	-	(160,000)	3,171,426	165,000
2019 water (DWRf)	Shared	2.00%	9,110,000	-	(400,000)	8,710,000	410,000
2020 refunding	Twp	4.00%	915,000	-	(215,000)	700,000	225,000
2021 water (DWRf)	Shared	1.875%	425,116	2,356,448	(145,000)	2,636,564	150,000
2021 refunding	Twp	3.00%	2,705,000	-	(500,000)	2,205,000	525,000
2022 water	City	4.25-5.375%	-	11,900,000	-	11,900,000	-
2022 water (DWRf)	Twp	1.875%	-	1,071,488	-	1,071,488	135,000
2022 water (DWRf)	Shared	1.875%	-	125,075	-	125,075	-
			<u>\$ 47,371,619</u>	<u>\$ 15,453,011</u>	<u>\$ (3,677,000)</u>	<u>\$ 59,147,630</u>	<u>\$ 3,927,000</u>

Because certain principal and interest payments on bonds are due September 1, the Authority may make payment on those obligations on or before August 31. As such, since the amounts due within one year for those certain issues were already paid, no amounts are shown as payable within one year for those particular issues.

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Notes to the Financial Statements

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

	Year Ended August 31,	Principal	Interest
	2024	\$ 4,249,426	\$ 1,660,669
	2025	4,247,000	1,544,926
	2026	4,937,500	1,425,143
	2027	4,960,702	1,297,014
	2028	4,982,075	1,163,135
	2029-2033	23,167,932	3,889,533
	2034-2038	14,148,370	1,782,812
	2039-2043	9,694,299	489,888
	2044-2045	1,220,000	-
		71,607,304	\$ 13,253,120
Less amount remaining to draw on outstanding projects		(15,361,096)	
		<u>\$ 56,246,208</u>	

For purposes of presenting the above maturities, the debt amortization schedules for the outstanding projects present the maturities based on the total authorized project amount whereas the debt per the financial statements is based on the actual draws through year end. Further, the ongoing revolving fund projects where there is an available outstanding balance available to draw, the final interest payment amounts for future years are not known until those final project draws are made.

Revenue bonds. The Authority, in conjunction with the City, also issues bonds where the income derived from the acquired or constructed assets is pledged to pay debt service. The original amount of revenue bonds for the issues outstanding as of August 31, 2023 was \$23,060,000. No new or refunding revenue bonds were issued during the current year.

Revenue bonds outstanding at August 31, 2023 are as follows:

	Credit	Interest Rates	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2003C water (DWRf)	City	2.50%	\$ 100,000	\$ -	\$ (50,000)	\$ 50,000	\$ 50,000
2003D water (DWRf)	City	2.50%	655,000	-	(655,000)	-	-
2004B water (DWRf)	City	2.125%	1,130,000	-	(370,000)	760,000	375,000
2013 refunding	City	2.00-4.00%	1,320,000	-	(595,000)	725,000	-
2016 refunding	City	2.00-4.00%	6,210,000	-	(2,125,000)	4,085,000	-
			<u>\$ 9,415,000</u>	<u>\$ -</u>	<u>\$ (3,795,000)</u>	<u>\$ 5,620,000</u>	<u>\$ 425,000</u>

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Notes to the Financial Statements

Revenue bonds outstanding at August 31, 2022 are as follows:

	Credit	Interest Rates	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2002B water (DWRf)	City	2.50%	\$ 30,000	\$ -	\$ (30,000)	\$ -	\$ -
2003C water (DWRf)	City	2.50%	145,000	-	(45,000)	100,000	50,000
2003D water (DWRf)	City	2.50%	970,000	-	(315,000)	655,000	325,000
2004B water (DWRf)	City	2.125%	1,490,000	-	(360,000)	1,130,000	370,000
2013 refunding	City	2.00-4.00%	1,320,000	-	-	1,320,000	295,000
2016 refunding	City	2.00-4.00%	6,210,000	-	-	6,210,000	1,035,000
			<u>\$ 10,165,000</u>	<u>\$ -</u>	<u>\$ (750,000)</u>	<u>\$ 9,415,000</u>	<u>\$ 2,075,000</u>

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

Year Ended August 31,	Principal	Interest
2024	\$ 425,000	\$ 12,791
2025	1,690,000	170,391
2026	1,355,000	103,100
2027	1,390,000	58,200
2028	760,000	15,200
	<u>\$ 5,620,000</u>	<u>\$ 359,682</u>

Environmental liability. In fiscal 1988, the U.S. Environmental Protection Agency (EPA) notified the Authority that it had been named a potential responsible party (PRP) for contaminated sites commonly known as the Willow Run Sludge Lagoon, Tyler Pond, and Willow Creek. The other entities named as PRP's in this matter included the Township, Wayne County, Ford Motor Company, General Motors Corporation, the University of Michigan and the federal government.

In fiscal 1995, the named PRP's entered into an agreement to fund the cost of the clean up. Based on this agreement, the Authority recorded a liability totaling \$1,250,000 and agreed that it will: (1) make three annual payments of \$250,000 each beginning in 2002; and (2) pay up to an additional \$500,000 for certain water treatment costs over a period of not more 30 years with no more than \$50,000 payable in any one year. Through August 31, 2008, two payments of \$50,000 each were made between fiscal 1997 and 1998. During fiscal year 2009, following receipt of a reimbursement request from General Motors Corporation, the Authority made a payment of \$108,544 to cover costs from 1998 through 2007. No payments have been made or requested since 2009.

Accordingly, the Authority's obligation for this matter is carried on the financial statements until it is released from the agreement by the EPA. Of the total liability, \$450,000 is reported as a current liability (i.e., one payment of \$250,000 and four payments of \$50,000 each) and \$591,456 is reported as long-term.

Compensated absences. The Authority records a liability for accrued compensated absences, which includes earned but unused vacation and sick leave. The liability is classified between current and long-term portions based on estimated usage.

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Notes to the Financial Statements

Changes in bonds and other long-term liabilities. Following is a summary of bonds and other long-term liability activity for the year ended August 31, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Limited tax obligation bonds	\$ 59,147,630	\$ 1,025,578	\$ (3,927,000)	\$ 56,246,208	\$ 4,249,426
Revenue bonds	9,415,000	-	(3,795,000)	5,620,000	425,000
Environmental liability	1,041,456	-	-	1,041,456	450,000
Compensated absences	954,786	663,806	(760,836)	857,756	428,878
	70,558,872	1,689,384	(8,482,836)	63,765,420	5,553,304
Deduct deferred amounts for:					
Issuance discounts	(136,195)	-	25,954	(110,241)	(20,915)
Issuance premiums	2,031,073	-	(363,492)	1,667,581	363,492
	<u>\$ 72,453,750</u>	<u>\$ 1,689,384</u>	<u>\$ (8,820,374)</u>	<u>\$ 65,322,760</u>	<u>\$ 5,895,881</u>

Changes in bonds and other long-term liabilities. Following is a summary of bonds and other long-term liability activity for the year ended August 31, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Limited tax obligation bonds	\$ 47,371,619	\$ 15,453,011	\$ (3,677,000)	\$ 59,147,630	\$ 3,927,000
Revenue bonds	10,165,000	-	(750,000)	9,415,000	2,075,000
Environmental liability	1,041,456	-	-	1,041,456	450,000
Compensated absences	1,061,710	740,800	(847,724)	954,786	477,393
	59,639,785	16,193,811	(5,274,724)	70,558,872	6,929,393
Deduct deferred amounts for:					
Issuance discounts	(163,767)	-	27,572	(136,195)	(25,954)
Issuance premiums	1,635,195	731,923	(336,045)	2,031,073	363,492
	<u>\$ 61,111,213</u>	<u>\$ 16,925,734</u>	<u>\$ (5,583,197)</u>	<u>\$ 72,453,750</u>	<u>\$ 7,266,931</u>

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Notes to the Financial Statements

8. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; employee injuries; and natural disasters, as well as medical and death benefits provided to employees. The Authority purchases commercial insurance to cover all risks of losses. The Authority has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

9. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies, including amounts borrowed under the Michigan revolving loan fund programs, 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 Authority. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Authority expects such amounts, if any, to be immaterial.

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

10. DEFINED BENEFIT PENSION PLAN

Plan Description. The Authority's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The Authority 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.

Benefits Provided. Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a 3 year period) and multipliers ranging from 1.5% to 2.0%. Participants are considered to be fully vested in the plan after 6-10 years depending on the division/bargaining unit. Normal retirement age is 60 with early retirement at age 50 with 25 years of service, age 55 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, 2022 valuation date, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	144
Inactive employees entitled to but not yet receiving benefits	31
Active employees	109
Total membership	284

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	136
Inactive employees entitled to but not yet receiving benefits	32
Active employees	109
Total membership	277

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Notes to the Financial Statements

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.

Employer and employee contribution amounts or rates, by division/bargaining unit, were as follows for the year ended August 31, 2023:

Division/Bargaining Unit	Employer Contribution	Employer Voluntary Contribution	Employee Contribution	Status
01 - AFSCME (hired prior to 9/1/2013)	\$ 841,464	\$ 600,000	5.0%	Closed
11 - Non-Union (hired prior to 1/1/2014)	\$ 518,388	\$ 240,000	5.0%	Closed
12 - Teamsters (hired prior to 1/1/2014)	\$ 748,176	\$ 360,000	5.0%	Closed
13 - AFSCME (hired after 9/1/2013)	2.32%	N/A	5.0%	Open
14 - Non-Union (hired after 1/1/2014)	5.64%	N/A	5.0%	Open
15 - Teamsters (hired after 1/1/2014)	0.85%	N/A	5.0%	Open

Employer and employee contribution amounts or rates, by division/bargaining unit, were as follows for the year ended August 31, 2022:

Division/Bargaining Unit	Employer Contribution	Employer Voluntary Contribution	Employee Contribution	Status
01 - AFSCME (hired prior to 9/1/2013)	\$ 837,600	\$ 600,000	5.0%	Closed
11 - Non-Union (hired prior to 1/1/2014)	\$ 568,932	\$ 240,000	5.0%	Closed
12 - Teamsters (hired prior to 1/1/2014)	\$ 810,384	\$ 360,000	5.0%	Closed
13 - AFSCME (hired after 9/1/2013)	2.46%	N/A	5.0%	Open
14 - Non-Union (hired after 1/1/2014)	5.37%	N/A	5.0%	Open
15 - Teamsters (hired after 1/1/2014)	4.29%	N/A	5.0%	Open

Net Pension Liability. The Authority's net pension liability was measured as of December 31, 2022, and December 31, 2021, respectively, 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 for both the December 31, 2022 and 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

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For both the December 31, 2022 and the December 31, 2021 actuarial valuations, the base mortality tables used are constructed as described below and are based on 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
- Disabled 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

For both the December 31, 2022 and the December 31, 2021 actuarial valuation, the actuarial assumptions used in the valuation were based on the results of the most recent actuarial experience study of 2014-2018.

Long-term Expected Rate of Return. The long-term expected rate of return on pension plan investments for the December 31, 2022 and the December 31, 2021 valuation 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	20.0%	7.00%	1.40%
	<u>100.0%</u>		
Inflation			2.50%
Administrative expenses netted above			<u>0.25%</u>
Investment rate of return			<u>7.25%</u>

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2022 and the December 31, 2021 valuation was 7.25%. 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.

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Notes to the Financial Statements

Changes in Net Pension Liability

The components of the change in the net pension liability as of December 31, 2022 are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2021	\$ 64,204,236	\$ 45,189,593	\$ 19,014,643
Changes for the year:			
Service cost	672,688	-	672,688
Interest	4,533,189	-	4,533,189
Differences between expected and actual experience	128,639	-	128,639
Employer contributions	-	3,475,452	(3,475,452)
Employee contributions	-	389,711	(389,711)
Net investment loss	-	(4,678,173)	4,678,173
Benefit payments, including refunds of employee contributions	(4,027,700)	(4,027,700)	-
Administrative expense	-	(83,576)	83,576
Net changes	1,306,816	(4,924,286)	6,231,102
Balances at December 31, 2022	\$ 65,511,052	\$ 40,265,307	\$ 25,245,745

The components of the change in the net pension liability as of December 31, 2021 are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2020	\$ 60,747,979	\$ 39,681,715	\$ 21,066,264
Changes for the year:			
Service cost	633,637	-	633,637
Interest	4,502,009	-	4,502,009
Differences between expected and actual experience	(334,692)	-	(334,692)
Assumption changes	2,310,968	-	2,310,968
Employer contributions	-	3,245,139	(3,245,139)
Employee contributions	-	390,202	(390,202)
Net investment income	-	5,582,570	(5,582,570)
Benefit payments, including refunds of employee contributions	(3,655,665)	(3,655,665)	-
Administrative expense	-	(54,368)	54,368
Net changes	3,456,257	5,507,878	(2,051,621)
Balances at December 31, 2021	\$ 64,204,236	\$ 45,189,593	\$ 19,014,643

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to the Financial Statements

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%. In 2021, a 5-year experience study analyzing historical experience from 2013 through 2018. In addition to changes to the economic assumptions which took effect with the fiscal year 2021 contribution rates, the experience study recommended updated demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, disability, and termination rates.

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

Sensitivity to changes in the discount rate as of December 31, 2022:

1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
\$ 32,776,424	\$ 25,245,745	\$ 18,923,867

Sensitivity to changes in the discount rate as of December 31, 2021:

1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
\$ 26,457,184	\$ 19,014,643	\$ 12,762,055

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 August 31, 2023, the Authority recognized pension expense of \$3,932,625. The Authority 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	\$ 96,479	\$ 369,405	\$ (272,926)
Changes in assumptions	1,423,318	-	1,423,318
Net difference between projected and actual earnings on pension plan investments	3,710,729	-	3,710,729
	5,230,526	369,405	4,861,121
Contributions subsequent to the measurement date	2,556,622	-	2,556,622
Total	\$ 7,787,148	\$ 369,405	\$ 8,156,553

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to the Financial Statements

For the year ended August 31, 2022, the Authority recognized pension expense of \$2,175,987. The Authority 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	\$ 158,483	\$ 655,137	\$ (496,654)
Changes in assumptions	2,695,870	-	2,695,870
Net difference between projected and actual earnings on pension plan investments	-	3,112,024	(3,112,024)
	<u>2,854,353</u>	<u>3,767,161</u>	<u>(912,808)</u>
Contributions subsequent to the measurement date	<u>2,636,230</u>	<u>-</u>	<u>2,636,230</u>
Total	<u><u>\$ 5,490,583</u></u>	<u><u>\$ 3,767,161</u></u>	<u><u>\$ 9,257,744</u></u>

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending August 31, 2024. Other amounts reported as deferred outflows/inflows of resources related to the pension will be recognized in pension expense as follows:

Year Ended August 31,	Amount
2024	\$ 943,055
2025	1,221,626
2026	1,107,340
2027	<u>1,589,100</u>
Total	<u><u>\$ 4,861,121</u></u>

Payable to the Pension Plan. At August 31, 2023 and August 31, 2022, the Authority had \$323,179 and \$293,732, respectively, recorded as a payable for contributions to the pension plan.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to the Financial Statements

11. OTHER POSTEMPLOYMENT BENEFITS

Plan Description. The Authority administers a single-employer defined benefit healthcare plan (OPEB Plan), that provides certain health care benefits to all full-time employees, hired prior to September 1, 2019, upon retirement, in accordance with the applicable labor agreements. These benefits are integrated with Medicare to provide benefits comparable to those received at the date of retirement for the employee's life. In September 2005, the Authority adopted the Michigan Municipal Employees' Retirement System (MERS) Retiree Health Funding Vehicle to fund the obligation. Stand-alone financial statements are not issued for the OPEB Plan.

Benefits Provided. YCUA has four Medical / Rx, three dental and three vision benefit options. The plans offered to Pre-2014 retirees will not change over time. All the plans renew on a calendar year basis. Retirees and covered spouses have coverage as long as the retiree is alive and receiving a MERS pension. When a covered retiree dies, spouse coverage depends on the individual contract. In general for future AFSCME retirees, spouse coverage upon retiree death is available until the earlier of remarriage, the retiree would have been eligible for Medicare or other health insurance becomes available. For Teamsters and Non-Union future retirees, spouse coverage upon retiree death is available until the earlier of remarriage, the spouse is eligible for Medicare or other health insurance becomes available.

Employees Covered by Benefit Terms. As of the most recent actuarial valuation dated June 30, 2022, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	95
Active employees	<u>46</u>
Total membership	<u>141</u>

Contributions. The Authority has no obligation to make contributions in advance of when the insurance premiums or benefits are due for payment. Administrative costs of the plan are paid for by the Authority. Plan participants are not required to contribute to the plan.

Net Other Postemployment Benefit Liability. The Authority's net other postemployment benefit liability was measured as of June 30, 2023, and June 30, 2022, respectively, and the total other postemployment benefit liability used to calculate the net other postemployment benefit liability was determined by an actuarial valuation as of June 30, 2022 (for 2023, rolled forward to June 30, 2023).

Actuarial Assumptions. The total other postemployment benefit liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50% per year
Salary increases	2.25% per year
Investment rate of return	7.0%, net of investment expense and including inflation
Healthcare cost trend rate	7.0% trending down to an ultimate rate of 4.5% (The PA 152 benefit caps applied to the employer portion of plan premiums are assumed to increase (trend) at 2.5% per year.)
Assumption changes	The expected return was changed from 7.35% to 7.00%.

Mortality rates used in the June 30, 2022 actuarial valuation were based on the Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted General Mortality Tables using Scale MP-2021 Full Generational Improvement.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to the Financial Statements

Long-term Expected Return on Plan Assets. The long-term expected rate of return on other postemployment benefit 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:

The investment rate of return as of June 30, 2023 and June 30, 2022 was:

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	20.0%	7.00%	1.40%
	<u>100.0%</u>		
Inflation			<u>2.50%</u>
Investment rate of return			<u><u>7.00%</u></u>

Discount Rate. The discount rate used to measure the total other postemployment benefit liability was 7.00% for the 2023 and 2022 valuations, respectively. 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 other postemployment benefit 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 other postemployment benefit liability.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to the Financial Statements

Changes in Net Other Postemployment Benefit Liability (Asset)

Changes in Net Other Postemployment Benefit Liability (Asset). The components of the change in the net other postemployment benefit (OPEB) liability (asset) are summarized as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2022	\$ 30,705,551	\$ 29,932,544	\$ 773,007
Changes for the year:			
Service cost	145,463	-	145,463
Interest	2,100,443	-	2,100,443
Difference between expected and actual experience	(85,400)	-	(85,400)
Employer contributions	-	517,277	(517,277)
Net investment income	-	2,172,763	(2,172,763)
Benefit payments, including refunds of employee contributions	(1,689,376)	(1,689,376)	-
Administrative expense	-	(55,263)	55,263
Net changes	471,130	945,401	(474,271)

Balances at June 30, 2023	\$ 31,176,681	\$ 30,877,945	\$ 298,736
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	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2021	\$ 30,080,769	\$ 33,443,449	\$ (3,362,680)
Changes for the year:			
Service cost	172,945	-	172,945
Interest	2,177,773	-	2,177,773
Difference between expected and actual experience	307,427	-	307,427
Changes in assumptions	(785,061)	-	(785,061)
Employer contributions	-	445,430	(445,430)
Net investment loss	-	(2,649,475)	2,649,475
Benefit payments, including refunds of employee contributions	(1,248,302)	(1,248,302)	-
Administrative expense	-	(58,558)	58,558
Net changes	624,782	(3,510,905)	4,135,687
Balances at June 30, 2022	\$ 30,705,551	\$ 29,932,544	\$ 773,007

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to the Financial Statements

Sensitivity of the Net Other Postemployment Benefit Liability (Asset) to Changes in the Discount Rate. The following presents the net other postemployment benefit liability (asset) of the Authority, calculated using the discount rate as well as what the Authority's net other postemployment benefit liability (asset) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

Sensitivity to changes in the discount rate as of June 30, 2023:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB liability (asset)	\$ 4,258,389	\$ 298,736	\$ (2,983,270)

Sensitivity to changes in the discount rate as of June 30, 2022:

	1% Decrease (6.35%)	Current Discount Rate (7.35%)	1% Increase (8.35%)
Net OPEB liability (asset)	\$ 4,753,940	\$ 773,007	\$ (2,517,353)

Sensitivity of the Net Other Postemployment Benefit Liability (Asset) to Changes in the Healthcare Cost Trend Rate. The following presents the net other postemployment benefit liability (asset) of the Authority, calculated using the health care cost trend rate as well as what the Authority's net other postemployment benefit liability (asset) would be if it were calculated using a healthcare cost trend rate that is 1% lower or 1% higher than the current rate:

Sensitivity to changes in the healthcare cost trend rate as of June 30, 2023:

	1% Decrease (6.0% graded down to 3.5%)	Healthcare Cost Trend Rate (7.0% graded down to 4.5%)	1% Increase (8.0% graded down to 5.5%)
Net OPEB liability (asset)	\$ (3,253,734)	\$ 298,736	\$ 4,574,935

Sensitivity to changes in the healthcare cost trend rate as of June 30, 2022:

	1% Decrease (6.0% graded down to 3.5%)	Healthcare Cost Trend Rate (7.0% graded down to 4.5%)	1% Increase (8.0% graded down to 5.5%)
Net OPEB liability (asset)	\$ (2,537,817)	\$ 773,007	\$ 4,757,356

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to the Financial Statements

Other Postemployment Benefit Expense and Deferred Outflows/Inflows of Resources Related to Other Postemployment Benefits

For the year ended August 31, 2023, the Authority recognized other postemployment benefit expense of \$715,184. The Authority reported deferred outflows and inflows of resources related to other postemployment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 1,060,808	\$ -	\$ 1,060,808
Changes in assumptions	1,534,942	(1,320,007)	214,935
Difference between expected and actual experience	384,148	(104,756)	279,392
Total	\$ 2,979,898	\$ (1,424,763)	\$ 1,555,135

For the year ended August 31, 2022, the Authority recognized other postemployment benefit expense of \$604,351. The Authority reported deferred outflows and inflows of resources related to other postemployment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 1,625,494	\$ -	\$ 1,625,494
Changes in assumptions	1,841,929	(1,925,726)	(83,797)
Difference between expected and actual experience	519,659	(54,654)	465,005
	3,987,082	(1,980,380)	2,006,702
Contributions subsequent to the measurement date	21,125	-	21,125
Total	\$ 4,008,207	\$ (1,980,380)	\$ 2,027,827

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to the Financial Statements

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net other postemployment benefit asset for the year ending August 31, 2024. Other amounts reported as net deferred outflows/inflows of resources related to the other postemployment benefit will be recognized in other postemployment benefit expense as follows:

Year Ended August 31,	Amount
2024	\$ 226,590
2025	(76,368)
2026	1,446,079
2027	<u>(41,166)</u>
Total	<u>\$ 1,555,135</u>

Payable to the Other Postemployment Benefit Plan. At August 31, 2023 and August 31, 2022, the Authority had no payable for contributions to the other postemployment benefit plan.

12. ALLOCATION METHODS

Financial information of the Authority can be separated by component or division. For such purposes, the City and Township divisions together comprise the Authority, in aggregate, as is the same for the Water and Wastewater divisions. In certain instances, revenues and expenses are directly attributable to the respective divisions, whereas other revenues and expenses are shared or not directly attributable. For these latter items, the Authority uses a variety of objectively measurable allocation methods to equitably distribute the account balances between the applicable divisions. These methods include metered water and sewage flows, work orders, time and attendance, and number of meters.

13. NET INVESTMENT IN CAPITAL ASSETS

The composition of the Authority's net investment in capital assets as of August 31, 2023 and 2022 was as follows:

	2023	2022
Capital assets:		
Capital assets not being depreciated	\$ 17,174,653	\$ 15,009,204
Capital assets being depreciated, net	<u>165,090,580</u>	<u>169,118,076</u>
	<u>182,265,233</u>	<u>184,127,280</u>
Related debt:		
Limited tax obligation bonds	(56,246,208)	(59,147,630)
Revenue bonds	(5,620,000)	(9,415,000)
Unexpended bond proceeds	1,739,301	7,627,660
Issuance discounts	110,241	136,195
Issuance premiums	(1,667,581)	(2,031,073)
Deferred charge on refunding	<u>181,890</u>	<u>270,612</u>
	<u>(61,502,357)</u>	<u>(62,559,236)</u>
Net investment in capital assets	<u>\$ 120,762,876</u>	<u>\$ 121,568,044</u>

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to the Financial Statements

14. SEGMENT INFORMATION

Revenue bonds have been issued through the City to finance certain water and wastewater capital projects. The City and Township divisions are accounted for in a single fund (i.e., the Authority). However, investors in the revenue bonds rely solely on the revenue generated by the City division for repayment. Accordingly, summary information for the City and Township divisions as of and for the year ended August 31, 2023 is presented below.

	Condensed Statement of Net Position		
	City	Township	Totals
Assets			
Current and other assets	\$ 3,681,567	\$ 21,316,676	\$ 24,998,243
Capital assets	69,565,685	112,699,548	182,265,233
Total assets	<u>73,247,252</u>	<u>134,016,224</u>	<u>207,263,476</u>
Deferred outflows of resources	<u>2,590,855</u>	<u>8,358,081</u>	<u>10,948,936</u>
Liabilities			
Long-term liabilities	31,260,615	59,606,626	90,867,241
Other liabilities	2,026,954	5,110,122	7,137,076
Total liabilities	<u>33,287,569</u>	<u>64,716,748</u>	<u>98,004,317</u>
Deferred inflows of resources	<u>606,595</u>	<u>1,556,034</u>	<u>2,162,629</u>
Net position			
Net investment			
in capital assets	65,864,122	54,898,754	120,762,876
Restricted	4,885,842	7,374,815	12,260,657
Unrestricted deficit	(28,806,021)	13,827,954	(14,978,067)
Total net position	<u>\$ 41,943,943</u>	<u>\$ 76,101,523</u>	<u>\$ 118,045,466</u>

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to the Financial Statements

	Condensed Statement of Revenues, Expenses and Changes in Net Position						
	City			Township			Totals
	Water	Wastewater	Total	Water	Wastewater	Total	
Operating revenues	\$ 5,374,510	\$ 4,420,477	\$ 9,794,987	\$ 18,034,836	\$ 17,088,380	\$ 35,123,216	\$ 44,918,203
Operating expenses							
Depreciation	994,509	1,538,803	2,533,312	1,821,776	6,506,155	8,327,931	10,861,243
Other operating	3,010,475	4,264,275	7,274,750	14,213,742	14,807,367	29,021,109	36,295,859
	<u>4,004,984</u>	<u>5,803,078</u>	<u>9,808,062</u>	<u>16,035,518</u>	<u>21,313,522</u>	<u>37,349,040</u>	<u>47,157,102</u>
Operating income (loss)	1,369,526	(1,382,601)	(13,075)	1,999,318	(4,225,142)	(2,225,824)	(2,238,899)
Nonoperating revenues (expenses)	(251,135)	(318,912)	(570,047)	60,789	(665,756)	(604,967)	(1,175,014)
Capital contributions	-	65,830	65,830	-	243,957	243,957	309,787
Change in net position	<u>\$ 1,118,391</u>	<u>\$ (1,635,683)</u>	<u>(517,292)</u>	<u>\$ 2,060,107</u>	<u>\$ (4,646,941)</u>	<u>(2,586,834)</u>	<u>(3,104,126)</u>
Net position							
Beginning of year			<u>42,461,235</u>			<u>78,688,357</u>	<u>121,149,592</u>
End of year			<u>\$ 41,943,943</u>			<u>\$ 76,101,523</u>	<u>\$ 118,045,466</u>

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REQUIRED SUPPLEMENTARY INFORMATION

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Required Supplementary Information

Municipal Employees Retirement System of Michigan - Defined Benefit Pension Plan
Schedule of Changes in Net Pension Liability and Related Ratios

	Fiscal Year Ended August 31,		
	2023	2022	2021
Total pension liability			
Service cost	\$ 672,688	\$ 633,637	\$ 734,890
Interest on total pension liability	4,533,189	4,502,009	4,379,123
Benefit changes	-	-	-
Difference between expected and actual experience	128,639	(334,692)	(808,236)
Assumption changes	-	2,310,968	1,071,342
Benefit payments and refunds	(4,027,700)	(3,655,665)	(3,763,502)
Other changes	-	-	-
Net change in total pension liability	<u>1,306,816</u>	<u>3,456,257</u>	<u>1,613,617</u>
Total pension liability, beginning of year	<u>64,204,236</u>	<u>60,747,979</u>	<u>59,134,362</u>
Total pension liability, end of year	<u>65,511,052</u>	<u>64,204,236</u>	<u>60,747,979</u>
Plan fiduciary net position			
Employer contributions	3,475,452	3,245,139	3,200,544
Employee contributions	389,711	390,202	384,453
Pension plan net investment income (loss)	(4,678,173)	5,582,570	4,576,415
Benefit payments and refunds	(4,027,700)	(3,655,665)	(3,763,502)
Pension plan administrative expense	(83,576)	(54,368)	(71,334)
Net change in plan fiduciary net position	<u>(4,924,286)</u>	<u>5,507,878</u>	<u>4,326,576</u>
Plan fiduciary net position, beginning of year	<u>45,189,593</u>	<u>39,681,715</u>	<u>35,355,139</u>
Plan fiduciary net position, end of year	<u>40,265,307</u>	<u>45,189,593</u>	<u>39,681,715</u>
Net pension liability	<u>\$ 25,245,745</u>	<u>\$ 19,014,643</u>	<u>\$ 21,066,264</u>
Plan fiduciary net position as a percentage of total pension liability	61.46%	70.38%	65.32%
Covered payroll	\$ 7,395,764	\$ 7,374,924	\$ 7,767,823
Net pension liability as a percentage of covered payroll	341.35%	257.83%	271.20%

See notes to required supplementary information.

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Fiscal Year Ended August 31,					
2020	2019	2018	2017	2016	2015
\$ 716,377	\$ 674,280	\$ 645,677	\$ 647,067	\$ 673,845	\$ 701,844
4,314,729	4,204,347	4,127,204	4,019,882	3,741,270	3,727,652
-	(63,851)	-	-	-	-
633,935	53,343	(512,109)	(180,371)	(210,575)	-
1,707,899	-	-	-	2,150,127	-
(3,628,953)	(3,389,880)	(3,231,682)	(3,057,059)	(2,894,018)	(2,772,550)
-	-	-	-	116,915	-
3,743,987	1,478,239	1,029,090	1,429,519	3,577,564	1,656,946
55,390,375	53,912,136	52,883,046	51,453,527	47,875,963	46,219,017
59,134,362	55,390,375	53,912,136	52,883,046	51,453,527	47,875,963
3,613,597	3,038,002	2,338,685	1,793,233	1,443,666	1,331,966
379,204	342,890	213,873	-	214,851	221,036
4,202,282	(1,283,966)	3,817,227	3,060,630	(425,351)	1,785,353
(3,628,953)	(3,389,880)	(3,231,682)	(3,057,059)	(2,894,018)	(2,772,550)
(72,297)	(62,581)	(60,412)	(60,461)	(62,806)	(65,374)
4,493,833	(1,355,535)	3,077,691	1,736,343	(1,723,658)	500,431
30,861,306	32,216,841	29,139,150	27,402,807	29,126,465	28,626,034
35,355,139	30,861,306	32,216,841	29,139,150	27,402,807	29,126,465
\$ 23,779,223	\$ 24,529,069	\$ 21,695,295	\$ 23,743,896	\$ 24,050,720	\$ 18,749,498
59.79%	55.72%	59.76%	55.10%	53.26%	60.84%
\$ 7,371,527	\$ 6,970,791	\$ 6,591,541	\$ 6,618,831	\$ 6,704,320	\$ 6,907,282
322.58%	351.88%	329.14%	358.73%	358.73%	271.45%

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YPSILANTI COMMUNITY UTILITIES AUTHORITY

Required Supplementary Information

Municipal Employees Retirement System of Michigan - Defined Benefit Pension Plan
Schedule of Contributions

Fiscal Year Ending August 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution (Deficiency) Excess	Covered Payroll	Contributions as Percentage of Covered Payroll
2023	\$ 2,206,702	\$ 3,406,702	\$ 1,200,000	\$ 8,442,412	40.35%
2022	2,310,541	3,510,541	1,200,000	8,142,388	43.11%
2021	3,167,417	3,167,417	-	7,693,352	41.17%
2020	3,313,984	3,313,984	-	7,724,197	42.90%
2019	3,208,577	3,208,577	-	7,490,351	42.84%
2018	3,003,711	3,003,711	-	7,105,563	42.27%
2017	1,929,047	1,929,047	-	6,842,564	28.19%
2016	1,515,456	1,515,456	-	6,835,505	22.17%
2015	1,408,321	1,408,321	-	7,040,912	20.00%

See notes to required supplementary information.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Required Supplementary Information

Other Postemployment Benefits Plan

Schedule of Changes in Net Other Postemployment Benefit Liability (Asset) and Related Ratios

	Fiscal Year Ended August 31,		
	2023	2022	2021
Total other postemployment benefit liability			
Service cost	\$ 145,463	\$ 172,945	\$ 179,615
Interest on total other postemployment benefit liability	2,100,443	2,177,773	1,980,377
Difference between expected and actual experience	(85,400)	307,427	343,893
Assumption changes	-	(785,061)	3,069,883
Benefit payments and refunds	(1,689,376)	(1,248,302)	(1,733,284)
Net change in total other postemployment benefit liability	<u>471,130</u>	<u>624,782</u>	<u>3,840,484</u>
Total other postemployment benefit liability, beginning of year	<u>30,705,551</u>	<u>30,080,769</u>	<u>26,240,285</u>
Total other postemployment benefit liability, end of year	<u>31,176,681</u>	<u>30,705,551</u>	<u>30,080,769</u>
Plan fiduciary net position			
Employer contributions	517,277	445,430	433,284
Net plan net investment income (loss)	2,172,763	(2,649,475)	7,483,389
Benefit payments and refunds	(1,689,376)	(1,248,302)	(1,733,284)
Administrative expense	(55,263)	(58,558)	(54,668)
Net change in plan fiduciary net position	<u>945,401</u>	<u>(3,510,905)</u>	<u>6,128,721</u>
Plan fiduciary net position, beginning of year	<u>29,932,544</u>	<u>33,443,449</u>	<u>27,314,728</u>
Plan fiduciary net position, end of year	<u>30,877,945</u>	<u>29,932,544</u>	<u>33,443,449</u>
Net other postemployment benefit liability (asset)	<u>\$ 298,736</u>	<u>\$ 773,007</u>	<u>\$ (3,362,680)</u>
Plan fiduciary net position as a percentage of total other postemployment benefit liability	99.04%	97.48%	111.18%
Covered payroll	\$ 7,109,235	\$ 7,109,235	\$ 6,921,595
Net other postemployment benefit liability (asset) as a percentage of covered payroll	4.20%	10.87%	-48.58%

See notes to required supplementary information.

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Fiscal Year Ended August 31,		
2020	2019	2018

\$ 239,894	\$ 224,680	\$ 217,372
2,122,790	2,048,287	1,994,044
(109,308)	225,926	-
(2,508,637)	(103,877)	(100,802)
(1,310,793)	(1,587,021)	(1,249,001)
(1,566,054)	807,995	861,613

27,806,339	26,998,344	26,136,731
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26,240,285	27,806,339	26,998,344
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1,310,793	1,645,830	1,889,255
630,118	782,545	1,862,287
(1,310,793)	(1,587,021)	(1,249,001)
(48,929)	(54,532)	(60,553)
581,189	786,822	2,441,988

26,733,539	25,946,717	23,504,729
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27,314,728	26,733,539	25,946,717
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\$ (1,074,443)	\$ 1,072,800	\$ 1,051,627
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104.09%	96.14%	96.10%
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\$ 6,921,595	\$ 6,481,158	\$ 6,481,158
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-15.52%	16.55%	16.23%
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YPSILANTI COMMUNITY UTILITIES AUTHORITY

Required Supplementary Information

Other Postemployment Benefits Plan
Schedule of Contributions

Fiscal Year Ending August 31,	Actuarially Determined Contribution	Actual Contribution	Contribution (Deficiency) Excess	Covered Payroll	Actual Contribution as Percentage of Covered Payroll
2023	\$ 217,940	\$ 517,277	\$ 299,337	\$ 8,442,412	6.13%
2022	-	466,555	466,555	8,142,388	5.73%
2021	193,535	363,289	169,754	7,693,352	4.72%
2020	351,541	1,433,865	1,082,324	7,724,197	18.56%
2019	333,312	1,475,147	1,141,835	7,490,351	19.69%
2018	462,520	1,773,549	1,311,029	7,105,563	24.96%

See notes to required supplementary information.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to Required Supplementary Information

Pension Information

GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Notes to Schedule of Changes in Net Pension Liability and Related Ratios

The significant changes in assumptions for each of the fiscal years ended August 31 were as follows:

- 2022 - A decrease in the assumed rate of return from 7.35% to 7.00%.
- 2021 - Updated demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, disability, and termination rates.
- 2020 - A decrease in the assumed rate of return from 7.75% to 7.35%, and a decrease in the assumed rate of wage inflation from 3.75% to 3.00%.
- 2016 - The mortality table was adjusted to reflect longer lifetimes; The assumed annual rate of investment return, net of all expenses, was lowered from 8% to 7.75%; The asset smoothing was changed from 10 to 5 years; The amortization period was moved to a fixed period amortization.

The significant benefit changes for each of the fiscal years ended August 31 were as follows:

- 2019 - Employee contributions increased 1%-2%, depending on the group.

Notes to Schedule of Contributions

Valuation Date	Actuarially determined contribution rates are calculated as of the December 31 that is 21 months prior to the beginning of the fiscal year in which contributions are reported.
Methods and assumptions used to determine contribution rates (2023, based on the 12/31/2020 actuarial valuation):	
Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, open
Remaining amortization period	14-19 years, depending on division
Asset valuation method	5-year smooth market
Inflation	2.50%
Salary increases	3.00% in the long-term
Investment rate of return	7.35%, net of investment and administrative expense including inflation
Normal retirement age	Age 60
Mortality	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 Disabled 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

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Notes to Required Supplementary Information

OPEB Information

GASB 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Notes to Schedule of Changes in Net Other Postemployment Benefit Liability (Asset) and Related Ratios

The significant changes in assumptions for each of the fiscal years ended August 31 were as follows:

- 2022 - The expected return and corresponding discount rate was changed from 7.35% to 7.00%. Additionally, the assumed proportion of retiring employees with a covered child was lowered from 30% to 20%.
- 2021 - The expected return and corresponding discount rate was changed from 7.75% to 7.35%. Additionally, there were revised/updated Rx rebates, mortality, trend, retirement, and turnover.
- 2020 - The excise tax of 2.5% was eliminated due to the "Cadillac" tax being eliminated per legislation; The mortality assumption was changed from Society of Actuaries RPH-2014 Adjusted to 2006 Total Dataset Headcount-weighted Mortality with MP-2019 Full Generational Improvement to the Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted General Mortality Tables using Scale MP-2020 Full Generational Improvement; Per capita costs, retiree contribution premiums and trends were updated as part of the actuarial evaluation. Manufacturer Rx rebates were valued as an offset to retiree drug costs. The Medicare Part D subsidy is not allowed to be valued as an offset against future costs per GASB standards; The assets earned less than assumed. The rate of return from beginning to end of year measurement date is about 2.4%.
- 2019 - The assumed mortality improvement scale as published by the Society of Actuaries was changed from MP 2017 to MP 2018. (From beginning to end of year FY 2019 measurement MP 2018 was changed to MP 2019.)
- 2018 - The prior valuation utilized a discount rate of 7.0%. It has been clarified the discount rate should be 7.75%; The assumed salary scale was changed from 3% to 2.25% per year; The per capita costs, trend rates and retiree premium contributions were updated as part of the actuarial analysis. These updates produced lower than expected present value costs. The actuary was able to use more YCUA experience in their evaluation; The assumed mortality improvement scale as published by the Society of Actuaries was changed from MP 2016 to MP 2017. (From beginning to end of year FY 2018 measurement MP 2017 was changed to MP 2018.)

Notes to Schedule of Contributions

Valuation Date	June 30, 2022
Methods and assumptions used to determine contribution rates (2023, based on the 6/30/2022 valuation):	
Actuarial cost method	Entry-age normal
Amortization method	Level dollar, open
Remaining amortization period	30 years
Asset valuation method	5-year smooth market
Healthcare cost trend rate	7.0% for 2023, decreasing 0.5% per year to an ultimate rate of 4.5% for 2033 and later years
Inflation	2.50% per year
Salary increases	2.25% per year
Investment rate of return	7.00%, net of investment expense and including inflation
Retirement age	Assumed rates are based on those used for the Municipal Employees' Retirement System (MERS) of Michigan pension report and the prior YCUA OPEB report. Retirement rates project the probability of eligible employees who will retire during the next year.
Mortality	Mortality rates used were based on the Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted General Mortality Tables using Scale MP-2021 Full Generational Improvement.

SUPPLEMENTARY INFORMATION

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Schedule of Revenues, Expenses and Changes in Net Position

City and Township Allocation

For the Year Ended August 31, 2023

	City	Township	Total
Operating revenues			
Water sales	\$ 3,901,227	\$ 14,958,566	\$ 18,859,793
Sewage disposal sales	3,262,298	13,175,311	16,437,609
Surcharges and other usage fees:			
Capital improvement surcharge	2,096,648	4,526,196	6,622,844
Construction reserve	53,930	260,285	314,215
Environmental reserve	-	117,477	117,477
Other operating revenue	480,884	2,085,381	2,566,265
Total operating revenues	9,794,987	35,123,216	44,918,203
Operating expenses			
Water distribution	1,814,843	11,114,045	12,928,888
Wastewater treatment	3,957,367	14,665,543	18,622,910
Wastewater pump stations	340,689	1,464,566	1,805,255
Industrial surveillance	158,293	586,613	744,906
Transmission and distribution	2,627,366	6,330,921	8,958,287
Meter service	314,505	1,084,111	1,398,616
Customer accounting and collections	137,928	475,072	613,000
General and administration	457,071	1,628,169	2,085,240
Total operating expenses	9,808,062	37,349,040	47,157,102
Operating loss	(13,075)	(2,225,824)	(2,238,899)
Nonoperating revenues (expenses)			
Investment earnings	239,196	305,029	544,225
Connection fees	9,100	59,665	68,765
Interest and amortization expense	(818,343)	(970,727)	(1,789,070)
Other nonoperating revenues	-	1,066	1,066
Total nonoperating expenses	(570,047)	(604,967)	(1,175,014)
Loss before contributions	(583,122)	(2,830,791)	(3,413,913)
Capital contributions	65,830	243,957	309,787
Change in net position	(517,292)	(2,586,834)	(3,104,126)
Net position, beginning of year	42,461,235	78,688,357	121,149,592
Net position, end of year	\$ 41,943,943	\$ 76,101,523	\$ 118,045,466

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Schedule of Revenues, Expenses and Changes in Net Position

Water and Wastewater Allocation

For the Year Ended August 31, 2023

	Water	Wastewater	Total
Operating revenues			
Water sales	\$ 18,859,793	\$ -	\$ 18,859,793
Sewage disposal sales	-	16,437,609	16,437,609
Surcharges and other usage fees:			
Capital improvement surcharge	4,382,948	2,239,896	6,622,844
Construction reserve	62,748	251,467	314,215
Environmental reserve	-	117,477	117,477
Other operating revenue	103,857	2,462,408	2,566,265
Total operating revenues	23,409,346	21,508,857	44,918,203
Operating expenses			
Water distribution	12,928,888	-	12,928,888
Wastewater treatment	-	18,622,910	18,622,910
Wastewater pump stations	-	1,805,255	1,805,255
Industrial surveillance	-	744,906	744,906
Transmission and distribution	5,193,281	3,765,006	8,958,287
Meter service	699,307	699,309	1,398,616
Customer accounting and collections	306,500	306,500	613,000
General and administration	912,526	1,172,714	2,085,240
Total operating expenses	20,040,502	27,116,600	47,157,102
Operating income (loss)	3,368,844	(5,607,743)	(2,238,899)
Nonoperating revenues (expenses)			
Investment earnings	319,139	225,086	544,225
Connection fees	34,382	34,383	68,765
Interest and amortization expense	(543,867)	(1,245,203)	(1,789,070)
Other nonoperating revenues	-	1,066	1,066
Total nonoperating expenses	(190,346)	(984,668)	(1,175,014)
Income (loss) before contributions	3,178,498	(6,592,411)	(3,413,913)
Capital contributions	-	309,787	309,787
Change in net position	\$ 3,178,498	\$ (6,282,624)	\$ (3,104,126)

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Schedule of Revenues, Expenses and Changes in Net Position

Water and Wastewater Allocation by Member

For the Year Ended August 31, 2023

	City		
	Water	Wastewater	Total
Operating revenues			
Water sales	\$ 3,901,227	\$ -	\$ 3,901,227
Sewage disposal sales	-	3,262,298	3,262,298
Surcharges and other usage fees:			
Capital improvement surcharge	1,402,448	694,200	2,096,648
Construction reserve	8,348	45,582	53,930
Environmental reserve	-	-	-
Other operating revenue	62,487	418,397	480,884
Total operating revenues	5,374,510	4,420,477	9,794,987
Operating expenses			
Water distribution	1,814,843	-	1,814,843
Wastewater treatment	-	3,957,367	3,957,367
Wastewater pump stations	-	340,689	340,689
Industrial surveillance	-	158,293	158,293
Transmission and distribution	1,766,010	861,356	2,627,366
Meter service	157,255	157,250	314,505
Customer accounting and collections	68,965	68,963	137,928
General and administration	197,911	259,160	457,071
Total operating expenses	4,004,984	5,803,078	9,808,062
Operating income (loss)	1,369,526	(1,382,601)	(13,075)
Nonoperating revenues (expenses)			
Investment earnings	123,515	115,681	239,196
Connection fees	4,550	4,550	9,100
Interest and amortization expense	(379,200)	(439,143)	(818,343)
Other nonoperating revenues	-	-	-
Total nonoperating expenses	(251,135)	(318,912)	(570,047)
Income (loss) before contributions	1,118,391	(1,701,513)	(583,122)
Capital contributions	-	65,830	65,830
Change in net position	\$ 1,118,391	\$ (1,635,683)	\$ (517,292)

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Township			
Water	Wastewater	Total	Total
\$ 14,958,566	\$ -	\$ 14,958,566	\$ 18,859,793
-	13,175,311	13,175,311	16,437,609
2,980,500	1,545,696	4,526,196	6,622,844
54,400	205,885	260,285	314,215
-	117,477	117,477	117,477
41,370	2,044,011	2,085,381	2,566,265
<u>18,034,836</u>	<u>17,088,380</u>	<u>35,123,216</u>	<u>44,918,203</u>
11,114,045	-	11,114,045	12,928,888
-	14,665,543	14,665,543	18,622,910
-	1,464,566	1,464,566	1,805,255
-	586,613	586,613	744,906
3,427,271	2,903,650	6,330,921	8,958,287
542,052	542,059	1,084,111	1,398,616
237,535	237,537	475,072	613,000
714,615	913,554	1,628,169	2,085,240
<u>16,035,518</u>	<u>21,313,522</u>	<u>37,349,040</u>	<u>47,157,102</u>
<u>1,999,318</u>	<u>(4,225,142)</u>	<u>(2,225,824)</u>	<u>(2,238,899)</u>
195,624	109,405	305,029	544,225
29,832	29,833	59,665	68,765
(164,667)	(806,060)	(970,727)	(1,789,070)
-	1,066	1,066	1,066
<u>60,789</u>	<u>(665,756)</u>	<u>(604,967)</u>	<u>(1,175,014)</u>
2,060,107	(4,890,898)	(2,830,791)	(3,413,913)
-	243,957	243,957	309,787
<u>\$ 2,060,107</u>	<u>\$ (4,646,941)</u>	<u>\$ (2,586,834)</u>	<u>\$ (3,104,126)</u>

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Detailed Schedule of Operating Expenses

City and Township Allocation

For the Year Ended August 31, 2023

	City	Township	Total
Water distribution			
Wages	\$ 63,256	\$ 379,403	\$ 442,659
Benefits allocation	50,805	304,721	355,526
Purchased water	1,633,335	9,796,583	11,429,918
Utilities	4,935	252,618	257,553
Maintenance and supplies	1,622	9,728	11,350
Engineering	-	5,775	5,775
Depreciation	1,396	8,373	9,769
Other	23,932	143,546	167,478
Fleet allocation	5,946	35,667	41,613
Engineering allocation	4,405	26,417	30,822
Information technology allocation	3,620	21,715	25,335
Maintenance allocation	21,591	129,499	151,090
	<u>1,814,843</u>	<u>11,114,045</u>	<u>12,928,888</u>
Wastewater treatment			
Wages	371,680	1,377,404	1,749,084
Benefits allocation	298,519	1,106,276	1,404,795
Utilities	519,849	1,926,494	2,446,343
Sludge removal	113,963	422,337	536,300
Maintenance	267,070	989,729	1,256,799
Engineering	12,165	45,081	57,246
Laboratory	1,920	7,115	9,035
Chemicals	194,395	720,406	914,801
Depreciation	1,318,409	4,885,867	6,204,276
Other	166,893	618,490	785,383
Fleet allocation	95,298	353,162	448,460
Engineering allocation	11,477	42,531	54,008
Information technology allocation	27,819	103,094	130,913
Maintenance allocation	490,873	1,819,116	2,309,989
Laboratory allocation	67,037	248,441	315,478
	<u>3,957,367</u>	<u>14,665,543</u>	<u>18,622,910</u>
Wastewater pump stations			
Wages	95,854	355,222	451,076
Benefits allocation	76,986	285,301	362,287
Utilities	85,486	419,214	504,700
Maintenance and supplies	56,857	210,707	267,564
Engineering	-	3,270	3,270
Depreciation	16,816	62,316	79,132
Other	-	96,334	96,334
Engineering allocation	8,690	32,202	40,892
	<u>340,689</u>	<u>1,464,566</u>	<u>1,805,255</u>

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YPSILANTI COMMUNITY UTILITIES AUTHORITY

Detailed Schedule of Operating Expenses

City and Township Allocation

For the Year Ended August 31, 2023

	City	Township	Total
Industrial surveillance			
Wages	\$ 80,806	\$ 299,456	\$ 380,262
Benefits allocation	64,900	240,512	305,412
Other	6,383	23,654	30,037
Fleet allocation	820	3,040	3,860
Information technology allocation	5,384	19,951	25,335
	<u>158,293</u>	<u>586,613</u>	<u>744,906</u>
Transmission and distribution			
Wages	567,698	1,204,143	1,771,841
Benefits allocation	455,953	967,120	1,423,073
Utilities	21,342	45,270	66,612
Sewer overflow settlements	9,973	10,000	19,973
Maintenance:			
Shop and office	14,299	30,332	44,631
Water and sewer mains	65,867	139,711	205,578
Depreciation	1,137,321	3,188,031	4,325,352
Other	144,912	300,881	445,793
Fleet allocation	146,747	311,266	458,013
Engineering allocation	19,676	41,736	61,412
Information technology allocation	32,485	68,903	101,388
Maintenance allocation	11,093	23,528	34,621
	<u>2,627,366</u>	<u>6,330,921</u>	<u>8,958,287</u>
Meter service			
Wages	135,445	466,532	601,977
Benefits allocation	108,784	374,701	483,485
Utilities	594	2,862	3,456
Maintenance and supplies	5,599	19,288	24,887
Meter parts	13,998	48,215	62,213
Depreciation	11,924	41,070	52,994
Other	4,576	15,763	20,339
Fleet allocation	27,885	96,045	123,930
Information technology allocation	5,700	19,635	25,335
	<u>314,505</u>	<u>1,084,111</u>	<u>1,398,616</u>

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YPSILANTI COMMUNITY UTILITIES AUTHORITY

Detailed Schedule of Operating Expenses

City and Township Allocation

For the Year Ended August 31, 2023

	City	Township	Total
Customer accounting and collections			
Wages	\$ 52,490	\$ 180,799	\$ 233,289
Benefits allocation	42,158	145,211	187,369
Utilities	1,787	6,155	7,942
Maintenance and supplies	21,349	73,536	94,885
Postage	13,155	45,311	58,466
Depreciation	826	2,845	3,671
Other	430	1,469	1,899
Information technology allocation	5,733	19,746	25,479
	<u>137,928</u>	<u>475,072</u>	<u>613,000</u>
General and administrative			
Wages	40,527	150,188	190,715
Benefits allocation	32,550	120,624	153,174
Utilities	1,500	5,168	6,668
Maintenance and supplies	5,543	20,542	26,085
Engineering	1,050	873	1,923
Building and liability insurance	58,010	214,979	272,989
Legal and settlements	3,130	11,600	14,730
Other professional services	27	98	125
Depreciation	2,495	9,248	11,743
Other	3,208	7,916	11,124
Bad debt expense	3,059	17,432	20,491
Fleet allocation	10,221	37,881	48,102
Engineering allocation	5,188	19,225	24,413
Information technology allocation	8,976	33,265	42,241
Maintenance allocation	1,848	6,848	8,696
Human resource allocation	144,534	469,598	614,132
Accounting allocation	135,205	502,684	637,889
	<u>457,071</u>	<u>1,628,169</u>	<u>2,085,240</u>
Fleet			
Wages	53,486	156,040	209,526
Benefits allocation	42,958	125,325	168,283
Maintenance parts and supplies	95,483	278,567	374,050
Gas, oil and grease	37,513	109,441	146,954
Insurance	13,024	37,998	51,022
Depreciation	42,355	123,567	165,922
Other	2,098	6,123	8,221
Allocated to various departments	(286,917)	(837,061)	(1,123,978)
	<u>-</u>	<u>-</u>	<u>-</u>

continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Detailed Schedule of Operating Expenses

City and Township Allocation

For the Year Ended August 31, 2023

	City	Township	Total
Human resources			
Wages	\$ 70,856	\$ 230,133	\$ 300,989
Benefits allocation	56,908	184,834	241,742
Utilities	845	2,909	3,754
Safety program	572	1,859	2,431
Legal and professional	1,386	4,501	5,887
Physicals	4,014	13,037	17,051
Office supplies	1,073	3,486	4,559
Other	4,900	15,913	20,813
Information technology allocation	3,980	12,926	16,906
Allocated to general and administrative	(144,534)	(469,598)	(614,132)
	-	-	-
Benefits and payroll taxes			
Health insurance	442,275	1,436,471	1,878,746
Life insurance	8,282	26,900	35,182
Disability insurance	9,410	30,562	39,972
Social security	148,884	483,561	632,445
Workers compensation	14,173	46,034	60,207
Pension expense	928,334	3,015,151	3,943,485
Unemployment	(526)	(1,707)	(2,233)
Uniforms	8,732	28,359	37,091
Allocated to various departments	(1,559,564)	(5,065,331)	(6,624,895)
	-	-	-
Maintenance			
Wages	265,612	1,000,457	1,266,069
Benefits allocation	213,329	803,528	1,016,857
Utilities	2,815	10,604	13,419
Office and supplies	22,595	85,107	107,702
Other professional services	1,194	4,497	5,691
Depreciation	860	3,240	4,100
Other	3,045	11,460	14,505
Information technology allocation	15,955	60,098	76,053
Allocated to various departments	(525,405)	(1,978,991)	(2,504,396)
	-	-	-

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YPSILANTI COMMUNITY UTILITIES AUTHORITY

Detailed Schedule of Operating Expenses

City and Township Allocation

For the Year Ended August 31, 2023

	City	Township	Total
Engineering			
Wages	\$ 25,411	\$ 83,328	\$ 108,739
Benefits allocation	20,409	66,926	87,335
Utilities	18	61	79
Maintenance and supplies	706	2,315	3,021
Other professional services	2,529	8,295	10,824
Other	363	1,186	1,549
Allocated to various departments	(49,436)	(162,111)	(211,547)
	-	-	-
Information technology			
Wages	38,477	126,485	164,962
Benefits allocation	30,903	101,588	132,491
Utilities	18	61	79
Maintenance and supplies	40,909	134,482	175,391
Other professional services	1,705	5,604	7,309
Other	332	1,088	1,420
Allocated to various departments	(112,344)	(369,308)	(481,652)
	-	-	-
Laboratory			
Wages	25,999	96,351	122,350
Benefits allocation	20,882	77,385	98,267
Utilities	773	2,862	3,635
Maintenance and supplies	10,712	39,703	50,415
Contractual services	6,342	23,505	29,847
Depreciation	910	3,374	4,284
Other	1,419	5,261	6,680
Allocated to wastewater treatment	(67,037)	(248,441)	(315,478)
	-	-	-
Accounting			
Wages	54,186	200,805	254,991
Benefits allocation	43,520	161,279	204,799
Utilities	258	888	1,146
Office supplies	1,657	6,142	7,799
Audit and accounting services	19,329	71,629	90,958
Other	13,563	51,966	65,529
Information technology allocation	2,692	9,975	12,667
Allocated to general and administrative	(135,205)	(502,684)	(637,889)
	-	-	-
Total operating expenses	\$ 9,808,062	\$ 37,349,040	\$ 47,157,102

concluded.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Detailed Schedule of Operating Expenses

Water and Wastewater Allocation

For the Year Ended August 31, 2023

	Water	Wastewater	Total
Water distribution			
Wages	\$ 442,659	\$ -	\$ 442,659
Benefits allocation	355,526	-	355,526
Purchased water	11,429,918	-	11,429,918
Utilities	257,553	-	257,553
Maintenance and supplies	11,350	-	11,350
Engineering	5,775	-	5,775
Depreciation	9,769	-	9,769
Other	167,478	-	167,478
Fleet allocation	41,613	-	41,613
Engineering allocation	30,822	-	30,822
Information technology allocation	25,335	-	25,335
Maintenance allocation	151,090	-	151,090
	<u>12,928,888</u>	<u>-</u>	<u>12,928,888</u>
Wastewater treatment			
Wages	-	1,749,084	1,749,084
Benefits allocation	-	1,404,795	1,404,795
Utilities	-	2,446,343	2,446,343
Sludge removal	-	536,300	536,300
Maintenance	-	1,256,799	1,256,799
Engineering	-	57,246	57,246
Laboratory	-	9,035	9,035
Chemicals	-	914,801	914,801
Depreciation	-	6,204,276	6,204,276
Other	-	785,383	785,383
Fleet allocation	-	448,460	448,460
Engineering allocation	-	54,008	54,008
Information technology allocation	-	130,913	130,913
Maintenance allocation	-	2,309,989	2,309,989
Laboratory allocation	-	315,478	315,478
	<u>-</u>	<u>18,622,910</u>	<u>18,622,910</u>
Wastewater pump stations			
Wages	-	451,076	451,076
Benefits allocation	-	362,287	362,287
Utilities	-	504,700	504,700
Maintenance and supplies	-	267,564	267,564
Engineering	-	3,270	3,270
Depreciation	-	79,132	79,132
Other	-	96,334	96,334
Engineering allocation	-	40,892	40,892
	<u>-</u>	<u>1,805,255</u>	<u>1,805,255</u>

continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Detailed Schedule of Operating Expenses

Water and Wastewater Allocation
For the Year Ended August 31, 2023

	Water	Wastewater	Total
Industrial surveillance			
Wages	\$ -	\$ 380,262	\$ 380,262
Benefits allocation	-	305,412	305,412
Other	-	30,037	30,037
Fleet allocation	-	3,860	3,860
Information technology allocation	-	25,335	25,335
	-	744,906	744,906
Transmission and distribution			
Wages	951,124	820,717	1,771,841
Benefits allocation	763,906	659,167	1,423,073
Utilities	35,758	30,854	66,612
Sewer overflow settlements	-	19,973	19,973
Maintenance:			
Shop and office	23,957	20,674	44,631
Water and sewer mains	110,354	95,224	205,578
Depreciation	2,716,895	1,608,457	4,325,352
Other	239,449	206,344	445,793
Fleet allocation	245,862	212,151	458,013
Engineering allocation	32,966	28,446	61,412
Information technology allocation	54,425	46,963	101,388
Maintenance allocation	18,585	16,036	34,621
	5,193,281	3,765,006	8,958,287
Meter service			
Wages	300,989	300,988	601,977
Benefits allocation	241,742	241,743	483,485
Utilities	1,728	1,728	3,456
Maintenance and supplies	12,444	12,443	24,887
Meter parts	31,106	31,107	62,213
Depreciation	26,497	26,497	52,994
Other	10,169	10,170	20,339
Fleet allocation	61,965	61,965	123,930
Information technology allocation	12,667	12,668	25,335
	699,307	699,309	1,398,616

continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Detailed Schedule of Operating Expenses

Water and Wastewater Allocation
For the Year Ended August 31, 2023

	Water	Wastewater	Total
Customer accounting and collections			
Wages	\$ 116,644	\$ 116,645	\$ 233,289
Benefits allocation	93,684	93,685	187,369
Utilities	3,971	3,971	7,942
Maintenance and supplies	47,443	47,442	94,885
Postage	29,233	29,233	58,466
Depreciation	1,836	1,835	3,671
Other	949	950	1,899
Information technology allocation	12,740	12,739	25,479
	<u>306,500</u>	<u>306,500</u>	<u>613,000</u>
General and administrative			
Wages	95,357	95,358	190,715
Benefits allocation	76,587	76,587	153,174
Utilities	3,334	3,334	6,668
Maintenance and supplies	13,042	13,043	26,085
Engineering	961	962	1,923
Building and liability insurance	136,495	136,494	272,989
Legal and settlements	7,365	7,365	14,730
Other professional services	63	62	125
Depreciation	5,871	5,872	11,743
Other	5,566	5,558	11,124
Bad debt expense	10,246	10,245	20,491
Fleet allocation	24,052	24,050	48,102
Engineering allocation	12,206	12,207	24,413
Information technology allocation	21,120	21,121	42,241
Maintenance allocation	4,348	4,348	8,696
Human resource allocation	176,968	437,164	614,132
Accounting allocation	318,945	318,944	637,889
	<u>912,526</u>	<u>1,172,714</u>	<u>2,085,240</u>
Fleet			
Wages	69,625	139,901	209,526
Benefits allocation	55,920	112,363	168,283
Maintenance parts and supplies	124,295	249,755	374,050
Gas, oil and grease	48,832	98,122	146,954
Insurance	16,954	34,068	51,022
Depreciation	55,135	110,787	165,922
Other	2,731	5,490	8,221
Allocated to various departments	(373,492)	(750,486)	(1,123,978)
	<u>-</u>	<u>-</u>	<u>-</u>

continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Detailed Schedule of Operating Expenses

Water and Wastewater Allocation
For the Year Ended August 31, 2023

	Water	Wastewater	Total
Human resources			
Wages	\$ 86,341	\$ 214,648	\$ 300,989
Benefits allocation	69,346	172,396	241,742
Utilities	1,877	1,877	3,754
Safety program	697	1,734	2,431
Legal and professional	1,688	4,199	5,887
Physicals	4,891	12,160	17,051
Office supplies	1,308	3,251	4,559
Other	5,970	14,843	20,813
Information technology allocation	4,850	12,056	16,906
Allocated to general and administrative	(176,968)	(437,164)	(614,132)
	-	-	-
Benefits and payroll taxes			
Health insurance	538,935	1,339,811	1,878,746
Life insurance	10,092	25,090	35,182
Disability insurance	11,466	28,506	39,972
Social security	181,422	451,023	632,445
Workers compensation	17,271	42,936	60,207
Pension expense	1,131,224	2,812,261	3,943,485
Unemployment	(640)	(1,593)	(2,233)
Uniforms	10,640	26,451	37,091
Allocated to various departments	(1,900,410)	(4,724,485)	(6,624,895)
	-	-	-
Maintenance			
Wages	87,975	1,178,094	1,266,069
Benefits allocation	70,658	946,199	1,016,857
Utilities	932	12,487	13,419
Office and supplies	7,484	100,218	107,702
Other professional services	395	5,296	5,691
Depreciation	285	3,815	4,100
Other	1,009	13,496	14,505
Information technology allocation	5,285	70,768	76,053
Allocated to various departments	(174,023)	(2,330,373)	(2,504,396)
	-	-	-

continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Detailed Schedule of Operating Expenses

Water and Wastewater Allocation
For the Year Ended August 31, 2023

	Water	Wastewater	Total
Engineering			
Wages	\$ 39,062	\$ 69,677	\$ 108,739
Benefits allocation	31,373	55,962	87,335
Utilities	28	51	79
Maintenance and supplies	1,085	1,936	3,021
Other professional services	3,888	6,936	10,824
Other	558	991	1,549
Allocated to various departments	(75,994)	(135,553)	(211,547)
	-	-	-
Information technology			
Wages	48,893	116,069	164,962
Benefits allocation	39,269	93,222	132,491
Utilities	23	56	79
Maintenance and supplies	51,983	123,408	175,391
Other professional services	2,166	5,143	7,309
Other	422	998	1,420
Allocated to various departments	(142,756)	(338,896)	(481,652)
	-	-	-
Laboratory			
Wages	-	122,350	122,350
Benefits allocation	-	98,267	98,267
Utilities	-	3,635	3,635
Maintenance and supplies	-	50,415	50,415
Contractual services	-	29,847	29,847
Depreciation	-	4,284	4,284
Other	-	6,680	6,680
Allocated to wastewater treatment	-	(315,478)	(315,478)
	-	-	-
Accounting			
Wages	127,495	127,496	254,991
Benefits allocation	102,399	102,400	204,799
Utilities	573	573	1,146
Office supplies	3,900	3,899	7,799
Audit and accounting services	45,479	45,479	90,958
Other	32,765	32,764	65,529
Information technology allocation	6,334	6,333	12,667
Allocated to general and administrative	(318,945)	(318,944)	(637,889)
	-	-	-
Total operating expenses	\$ 20,040,502	\$ 27,116,600	\$ 47,157,102

concluded.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Detailed Schedule of Operating Expenses - Budget and Actual

For the Year Ended August 31, 2023

	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Water distribution				
Wages	\$ 458,567	\$ 458,567	\$ 442,659	\$ (15,908)
Benefits allocation	348,827	348,827	355,526	6,699
Purchased water	11,270,152	11,270,152	11,429,918	159,766
Utilities	248,750	248,750	257,553	8,803
Maintenance and supplies	80,600	80,600	11,350	(69,250)
Engineering	-	-	5,775	5,775
Depreciation	9,771	9,771	9,769	(2)
Other	83,950	83,950	167,478	83,528
Fleet allocation	91,583	91,583	41,613	(49,970)
Engineering allocation	50,000	50,000	30,822	(19,178)
Information technology allocation	24,612	24,612	25,335	723
Maintenance allocation	179,171	179,171	151,090	(28,081)
	<u>12,845,983</u>	<u>12,845,983</u>	<u>12,928,888</u>	<u>82,905</u>
Wastewater treatment				
Wages	1,826,208	1,826,208	1,749,084	(77,124)
Benefits allocation	2,014,911	2,014,911	1,404,795	(610,116)
Utilities	2,760,900	2,760,900	2,446,343	(314,557)
Sludge removal	380,000	380,000	536,300	156,300
Maintenance	1,543,000	1,543,000	1,256,799	(286,201)
Engineering	40,000	40,000	57,246	17,246
Laboratory	75,000	75,000	9,035	(65,965)
Chemicals	850,000	850,000	914,801	64,801
Depreciation	6,798,207	6,798,207	6,204,276	(593,931)
Other	471,200	471,200	785,383	314,183
Fleet allocation	379,295	379,295	448,460	69,165
Engineering allocation	53,581	53,581	54,008	427
Information technology allocation	127,864	127,864	130,913	3,049
Maintenance allocation	2,336,160	2,336,160	2,309,989	(26,171)
Laboratory allocation	643,066	643,066	315,478	(327,588)
	<u>20,299,392</u>	<u>20,299,392</u>	<u>18,622,910</u>	<u>(1,676,482)</u>
Wastewater pump stations				
Wages	360,088	360,088	451,076	90,988
Benefits allocation	256,443	256,443	362,287	105,844
Utilities	535,500	535,500	504,700	(30,800)
Maintenance and supplies	335,000	335,000	267,564	(67,436)
Engineering	250	250	3,270	3,020
Depreciation	79,132	79,132	79,132	-
Other	146,000	146,000	96,334	(49,666)
Engineering allocation	31,012	31,012	40,892	9,880
	<u>1,743,425</u>	<u>1,743,425</u>	<u>1,805,255</u>	<u>61,830</u>

continued...

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Detailed Schedule of Operating Expenses - Budget and Actual

For the Year Ended August 31, 2023

	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Industrial surveillance				
Wages	\$ 224,712	\$ 224,712	\$ 380,262	\$ 155,550
Benefits allocation	170,661	170,661	305,412	134,751
Other	88,400	88,400	30,037	(58,363)
Fleet allocation	-	-	3,860	3,860
Information technology allocation	24,768	24,768	25,335	567
	<u>508,541</u>	<u>508,541</u>	<u>744,906</u>	<u>236,365</u>
Transmission and distribution				
Wages	1,915,810	1,915,810	1,771,841	(143,969)
Benefits allocation	1,455,959	1,455,959	1,423,073	(32,886)
Utilities	55,500	55,500	66,612	11,112
Sewer overflow settlements	25,000	25,000	19,973	(5,027)
Maintenance:				
Shop and office	36,750	36,750	44,631	7,881
Water and sewer mains	233,100	233,100	205,578	(27,522)
Depreciation	4,254,153	4,254,153	4,325,352	71,199
Other	289,500	289,500	445,793	156,293
Fleet allocation	427,436	427,436	458,013	30,577
Engineering allocation	85,718	85,718	61,412	(24,306)
Information technology allocation	90,757	90,757	101,388	10,631
Maintenance allocation	40,697	40,697	34,621	(6,076)
	<u>8,910,380</u>	<u>8,910,380</u>	<u>8,958,287</u>	<u>47,907</u>
Meter service				
Wages	679,294	679,294	601,977	(77,317)
Benefits allocation	515,599	515,599	483,485	(32,114)
Utilities	13,250	13,250	3,456	(9,794)
Maintenance and supplies	60,450	60,450	24,887	(35,563)
Meter parts	10,500	10,500	62,213	51,713
Depreciation	44,072	44,072	52,994	8,922
Other	11,000	11,000	20,339	9,339
Fleet allocation	196,301	196,301	123,930	(72,371)
Information technology allocation	24,768	24,768	25,335	567
	<u>1,555,234</u>	<u>1,555,234</u>	<u>1,398,616</u>	<u>(156,618)</u>

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YPSILANTI COMMUNITY UTILITIES AUTHORITY

Detailed Schedule of Operating Expenses - Budget and Actual

For the Year Ended August 31, 2023

	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Customer accounting/collections				
Wages	\$ 285,498	\$ 285,498	\$ 233,289	\$ (52,209)
Benefits allocation	197,781	197,781	187,369	(10,412)
Utilities	20,000	20,000	7,942	(12,058)
Maintenance and supplies	67,250	67,250	94,885	27,635
Postage	45,000	45,000	58,466	13,466
Depreciation	3,672	3,672	3,671	(1)
Other	8,850	8,850	1,899	(6,951)
Information technology allocation	24,768	24,768	25,479	711
	<u>652,819</u>	<u>652,819</u>	<u>613,000</u>	<u>(39,819)</u>
General and administrative				
Wages	222,176	222,176	190,715	(31,461)
Benefits allocation	1,394,675	1,394,675	153,174	(1,241,501)
Utilities	4,200	4,200	6,668	2,468
Maintenance and supplies	8,700	8,700	26,085	17,385
Building and liability insurance	238,689	238,689	272,989	34,300
Legal and settlements	50,000	50,000	14,730	(35,270)
Other professional services	35,000	35,000	125	(34,875)
Depreciation	11,743	11,743	11,743	-
Other	21,350	21,350	11,124	(10,226)
Bad debt expense	-	-	20,491	20,491
Fleet allocation	43,412	43,412	48,102	4,690
Engineering allocation	28,198	28,198	24,413	(3,785)
Information technology allocation	36,919	36,919	42,241	5,322
Maintenance allocation	24,273	24,273	8,696	(15,577)
Human resource allocation	634,480	634,480	614,132	(20,348)
Accounting allocation	591,534	591,534	637,889	46,355
	<u>3,345,349</u>	<u>3,345,349</u>	<u>2,085,240</u>	<u>(1,260,109)</u>
Fleet				
Wages	218,361	218,361	209,526	(8,835)
Benefits allocation	165,761	165,761	168,283	2,522
Radio maintenance	500	500	-	(500)
Maintenance parts and supplies	204,650	204,650	374,050	169,400
Gas, oil and grease	350,000	350,000	146,954	(203,046)
Insurance	50,000	50,000	51,022	1,022
Depreciation	156,764	156,764	165,922	9,158
Other	13,100	13,100	8,221	(4,879)
Allocated to various departments	<u>(1,159,136)</u>	<u>(1,159,136)</u>	<u>(1,123,978)</u>	<u>35,158</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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YPSILANTI COMMUNITY UTILITIES AUTHORITY

Detailed Schedule of Operating Expenses - Budget and Actual

For the Year Ended August 31, 2023

	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Human resources				
Wages	\$ 291,439	\$ 291,439	\$ 300,989	\$ 9,550
Benefits allocation	221,181	221,181	241,742	20,561
Utilities	3,500	3,500	3,754	254
Safety program	8,500	8,500	2,431	(6,069)
Training and education	4,500	4,500	-	(4,500)
Legal and professional	23,000	23,000	5,887	(17,113)
Physicals	10,000	10,000	17,051	7,051
Office supplies	6,900	6,900	4,559	(2,341)
Depreciation	-	-	-	-
Other	44,850	44,850	20,813	(24,037)
Information technology allocation	20,610	20,610	16,906	(3,704)
Allocated to general and administrative	(634,480)	(634,480)	(614,132)	20,348
	-	-	-	-
Benefits and payroll taxes				
Health insurance	2,320,305	2,320,305	1,878,746	(441,559)
Life insurance	36,480	36,480	35,182	(1,298)
Disability insurance	52,107	52,107	39,972	(12,135)
Social security	610,266	610,266	632,445	22,179
Workers compensation	121,811	121,811	60,207	(61,604)
Pension expense	3,408,199	3,408,199	3,943,485	535,286
Uniforms	31,959	31,959	37,091	5,132
Allocated to various departments	(6,581,127)	(6,581,127)	(6,624,895)	(43,768)
	-	-	-	-
Maintenance				
Wages	1,346,489	1,346,489	1,266,069	(80,420)
Benefits allocation	1,040,368	1,040,368	1,016,857	(23,511)
Utilities	7,000	7,000	13,419	6,419
Office and supplies	79,500	79,500	107,702	28,202
Other professional services	12,000	12,000	5,691	(6,309)
Depreciation	4,100	4,100	4,100	-
Other	19,000	19,000	14,505	(4,495)
Information technology allocation	73,791	73,791	76,053	2,262
Allocated to various departments	(2,582,248)	(2,582,248)	(2,504,396)	77,852
	-	-	-	-

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YPSILANTI COMMUNITY UTILITIES AUTHORITY

Detailed Schedule of Operating Expenses - Budget and Actual

For the Year Ended August 31, 2023

	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Engineering				
Wages	\$ 98,183	\$ 98,183	\$ 108,739	\$ 10,556
Benefits allocation	74,486	74,486	87,335	12,849
Utilities	1,750	1,750	79	(1,671)
Maintenance and supplies	28,575	28,575	3,021	(25,554)
Engineering	25,000	25,000	-	(25,000)
Other professional services	5,000	5,000	10,824	5,824
Other	1,595	1,595	1,549	(46)
Allocated to various departments	(234,589)	(234,589)	(211,547)	23,042
	-	-	-	-
Information Technology				
Wages	160,620	160,620	164,962	4,342
Benefits allocation	121,884	121,884	132,491	10,607
Utilities	2,500	2,500	79	(2,421)
Maintenance and supplies	174,600	174,600	175,391	791
Other professional services	-	-	7,309	7,309
Other	2,500	2,500	1,420	(1,080)
Allocated to various departments	(462,104)	(462,104)	(481,652)	(19,548)
	-	-	-	-
Laboratory				
Wages	315,490	315,490	122,350	(193,140)
Benefits allocation	239,492	239,492	98,267	(141,225)
Utilities	1,750	1,750	3,635	1,885
Maintenance and supplies	49,050	49,050	50,415	1,365
Contractual services	25,300	25,300	29,847	4,547
Depreciation	4,284	4,284	4,284	-
Other	7,700	7,700	6,680	(1,020)
Allocated to wastewater treatment	(643,066)	(643,066)	(315,478)	327,588
	-	-	-	-
Accounting				
Wages	260,468	260,468	254,991	(5,477)
Benefits allocation	197,781	197,781	204,799	7,018
Utilities	1,350	1,350	1,146	(204)
Office supplies	14,150	14,150	7,799	(6,351)
Audit and accounting services	52,000	52,000	90,958	38,958
Depreciation	-	-	-	-
Other	53,400	53,400	65,529	12,129
Information technology allocation	12,385	12,385	12,667	282
Allocated to general and administrative	(591,534)	(591,534)	(637,889)	(46,355)
	-	-	-	-
Total operating expenses	\$ 49,861,123	\$ 49,861,123	\$ 47,157,102	\$ (2,704,021)

concluded.

STATISTICAL SECTION

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YPSILANTI COMMUNITY UTILITIES AUTHORITY

Statistical Section Table of Contents

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

		<u>Page</u>
Financial Trends Schedules 1-5	These schedules contain trend information to help the reader understand and evaluate how the Authority's financial condition, performance and well-being have changed over time.	92
Revenue Capacity Schedules 6-7	These schedules contain information to help the reader assess the Authority's ability to generate its most significant local revenue source, usage fees.	103
Debt Capacity Schedule 8	This schedule presents information to help the reader assess the affordability of the Authority's current levels of outstanding debt and its ability to issue additional debt in the future.	106

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Net Position - Unaudited

Last Ten Fiscal Years Ended August 31

	2023	2022	2021	2020
Assets				
Current assets:				
Cash and investments	\$ -	\$ 1,391,300	\$ 624,890	\$ 4,468,972
Receivables, net	8,326,587	7,873,511	7,965,324	11,011,602
Lease receivable [3]	16,390	15,325	14,313	18,710
Inventories	1,647,679	1,534,928	1,470,890	1,379,721
Prepaid items	19,296	351,591	77,839	78,891
Total current assets	10,009,952	11,166,655	10,153,256	16,957,896
Noncurrent assets:				
Restricted assets:				
Cash and investments	12,779,883	18,407,495	11,226,575	11,070,455
Bond reserve funds held by City of Ypsilanti	1,856,337	2,493,268	2,487,183	2,487,183
Receivables, long-term portion	-	52,323	70,140	121,990
Lease receivable, long-term portion [3]	352,071	368,461	383,786	398,099
Capital assets not being depreciated	17,174,653	15,009,204	10,347,333	7,615,974
Capital assets being depreciated, net	165,090,580	169,118,076	173,866,280	179,867,843
Net other postemployment benefit asset	-	-	3,362,680	1,074,443
Total noncurrent assets	197,253,524	205,448,827	201,743,977	202,635,987
Total assets	207,263,476	216,615,482	211,897,233	219,593,883
Deferred outflows of resources				
Deferred pension amounts [1]	7,787,148	5,490,583	4,165,103	4,140,670
Deferred other postemployment benefit amounts [2]	2,979,898	4,008,207	3,121,933	2,387,225
Deferred charge on refunding	181,890	270,612	369,463	383,806
Total deferred outflows of resources	10,948,936	9,769,402	7,656,499	6,911,701
Liabilities				
Current liabilities:				
Negative equity in unrestricted cash and investments	416,034	-	-	-
Accounts payable	3,836,628	4,045,493	4,347,165	5,386,251
Retentions, deposits and other liabilities	1,998,188	1,718,737	1,495,427	1,670,821
Accrued interest payable	657,795	795,875	529,815	713,525
Unearned revenue	228,431	302,460	376,489	450,519
Current portion of:				
Bonds and other long-term liabilities	5,467,003	6,789,538	5,176,325	6,401,567
Accrued compensated absences	428,878	477,393	530,855	529,403
Total current liabilities	13,032,957	14,129,496	12,456,076	15,152,086
Noncurrent liabilities:				
Bonds and other long-term liabilities net of current portion:				
Bonds payable	58,406,545	64,117,970	54,281,722	55,357,964
Environmental liability	591,456	591,456	591,456	591,456
Accrued compensated absences	428,878	477,393	530,855	529,403
Net pension liability [1]	25,245,745	19,014,643	21,066,264	23,779,223
Net other postemployment benefit liability [2]	298,736	773,007	-	-
Total noncurrent liabilities	84,971,360	84,974,469	76,470,297	80,258,046
Total liabilities	98,004,317	99,103,965	88,926,373	95,410,132
Deferred inflows of resources				
Deferred pension amounts [1]	369,405	3,767,161	1,918,096	128,028
Deferred other postemployment benefit amounts [2]	1,424,763	1,980,380	4,808,102	2,296,797
Deferred lease amounts [3]	368,461	383,786	398,099	416,809
Total deferred inflows of resources	2,162,629	6,131,327	7,124,297	2,841,634
Net position				
Net investment in capital assets	120,762,876	121,568,044	125,575,029	126,558,092
Restricted	12,260,657	12,173,633	15,390,269	14,722,509
Unrestricted (deficit)	(14,978,067)	(12,592,085)	(17,462,236)	(13,026,783)
Total net position	\$ 118,045,466	\$ 121,149,592	\$ 123,503,062	\$ 128,253,818

[1] GASB 68 implemented in fiscal 2015.

[2] GASB 75 implemented in fiscal 2018.

[3] GASB 87 implemented in fiscal 2022 (amounts restated as of earliest period presented)

Table 1

2019	2018	2017	2016	2015	2014
\$ 7,182,648	\$ 11,571,335	\$ 7,462,754	\$ 5,028,900	\$ 4,597,931	\$ 5,627,411
6,877,612	5,202,692	5,886,845	5,764,178	6,360,948	5,752,726
-	-	-	-	-	-
1,356,111	1,308,354	1,244,573	1,133,694	1,091,034	1,057,086
84,615	63,177	66,928	60,913	71,034	366,994
15,500,986	18,145,558	14,661,100	11,987,685	12,120,947	12,804,217
10,317,690	10,068,302	10,085,571	9,240,696	9,186,686	9,986,612
2,449,847	2,449,847	2,449,847	2,449,847	2,641,709	2,641,709
108,793	167,404	201,813	226,324	248,007	273,460
-	-	-	-	-	-
1,782,679	7,473,054	6,757,861	4,384,763	7,195,157	6,630,946
189,166,166	190,122,199	198,218,261	206,566,465	211,538,034	218,508,207
-	-	-	-	-	-
203,825,175	210,280,806	217,713,353	222,868,095	230,809,593	238,040,934
219,326,161	228,426,364	232,374,453	234,855,780	242,930,540	250,845,151
5,504,032	3,199,192	3,757,182	5,208,480	1,357,946	-
1,516,214	288,503	-	-	-	-
403,454	475,864	548,273	720,741	484,375	-
7,423,700	3,963,559	4,305,455	5,929,221	1,842,321	-
-	-	-	-	-	-
2,904,283	3,280,914	3,465,874	3,016,052	3,091,399	2,694,691
1,069,593	1,558,475	2,361,163	2,010,992	2,187,708	2,076,998
554,634	592,033	614,418	639,426	612,506	993,506
524,548	598,577	-	-	-	-
4,577,289	4,467,065	4,146,842	3,856,098	3,762,602	4,672,205
446,200	437,409	443,814	598,206	579,235	521,502
10,076,547	10,934,473	11,032,111	10,120,774	10,233,450	10,958,902
56,587,965	61,109,778	64,592,710	65,891,389	68,232,336	69,848,604
591,456	591,456	591,456	591,456	591,456	591,456
446,200	437,409	443,813	598,206	579,234	521,502
24,529,069	21,695,295	23,743,896	24,050,720	18,749,498	-
1,072,800	1,051,627	-	-	-	-
83,227,490	84,885,565	89,371,875	91,131,771	88,152,524	70,961,562
93,304,037	95,820,038	100,403,986	101,252,545	98,385,974	81,920,464
343,262	1,137,789	261,623	168,460	-	-
151,085	97,683	-	-	-	-
-	-	-	-	-	-
494,347	1,235,472	261,623	168,460	-	-
130,637,045	132,944,274	137,234,843	142,374,482	147,188,253	151,068,344
12,767,537	12,518,149	12,535,418	11,690,543	11,828,395	12,628,321
(10,453,105)	(10,128,010)	(13,755,962)	(14,701,029)	(12,629,761)	5,228,022
\$ 132,951,477	\$ 135,334,413	\$ 136,014,299	\$ 139,363,996	\$ 146,386,887	\$ 168,924,687

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Revenues and Expenses - Unaudited

Last Ten Fiscal Years Ended August 31

	2023	2022	2021	2020
Operating revenues				
Water sales	\$ 18,859,793	\$ 18,413,165	\$ 17,382,861	\$ 18,417,498
Sewage disposal sales	16,437,609	16,299,542	14,649,717	16,623,003
Surcharges and other usage fees	7,054,536	6,725,248	6,606,194	4,185,143
Other operating revenue	2,566,265	1,895,651	1,739,977	1,421,534
Total operating revenues	<u>44,918,203</u>	<u>43,333,606</u>	<u>40,378,749</u>	<u>40,647,178</u>
Operating expenses				
Water distribution	12,928,888	12,484,192	11,945,178	11,817,682
Wastewater treatment	18,622,910	17,177,321	18,722,073	17,960,178
Wastewater pump stations	1,805,255	1,549,093	1,334,999	1,434,756
Industrial surveillance	744,906	693,281	317,507	546,703
Transmission and distribution	8,958,287	8,326,954	8,048,091	8,300,069
Meter service	1,398,616	1,590,100	1,283,997	1,480,328
Customer accounting and collections	613,000	555,473	492,692	562,935
General and administration	2,085,240	1,968,866	1,838,957	2,012,710
Total operating expenses	<u>47,157,102</u>	<u>44,345,280</u>	<u>43,983,494</u>	<u>44,115,361</u>
Operating income (loss)	<u>(2,238,899)</u>	<u>(1,011,674)</u>	<u>(3,604,745)</u>	<u>(3,468,183)</u>
Nonoperating revenues (expenses)				
Investment earnings	544,225	241,023	175,377	176,628
Connection fees	68,765	99,680	226,766	95,616
Interest and amortization expense	(1,789,070)	(1,684,375)	(1,548,617)	(1,613,977)
Other nonoperating revenues	1,066	1,876	463	7,181
Cost to dispose of capital assets	-	-	-	-
Total nonoperating expenses	<u>(1,175,014)</u>	<u>(1,341,796)</u>	<u>(1,146,011)</u>	<u>(1,334,552)</u>
Income (loss) before contributions and special item	<u>\$ (3,413,913)</u>	<u>\$ (2,353,470)</u>	<u>\$ (4,750,756)</u>	<u>\$ (4,802,735)</u>

Table 2

2019	2018	2017	2016	2015	2014
\$ 18,879,901	\$ 18,520,302	\$ 17,650,152	\$ 17,115,849	\$ 14,774,886	\$ 14,568,698
18,416,240	19,138,366	18,256,939	16,226,170	15,986,337	14,855,053
1,604,042	4,183,629	4,110,517	4,213,478	3,969,419	4,016,188
1,546,842	1,891,908	2,027,776	1,626,119	1,578,254	1,560,864
40,447,025	43,734,205	42,045,384	39,181,616	36,308,896	35,000,803
11,439,057	12,144,581	12,161,179	11,684,881	10,070,350	9,908,197
17,741,510	16,383,759	17,754,991	17,818,636	17,278,603	15,860,564
1,293,266	1,190,581	1,468,251	1,283,745	1,241,368	1,136,517
322,868	391,466	518,743	441,557	417,299	379,784
8,888,368	7,717,835	8,233,710	8,693,576	7,981,764	7,698,787
1,357,652	1,039,549	1,343,907	1,314,851	1,151,856	1,074,717
592,279	470,545	680,123	681,598	645,635	670,487
1,767,466	1,810,616	2,008,192	1,954,380	1,872,990	1,807,617
43,402,466	41,148,932	44,169,096	43,873,224	40,659,865	38,536,670
(2,955,441)	2,585,273	(2,123,712)	(4,691,608)	(4,350,969)	(3,535,867)
255,762	173,521	178,601	166,363	168,048	168,262
102,434	86,958	102,322	57,171	20,712	34,051
(1,749,872)	(1,872,822)	(2,097,371)	(2,367,830)	(2,320,778)	(2,500,935)
723	1,299	4,993	-	-	21,587
-	-	-	(835,873)	-	-
(1,390,953)	(1,611,044)	(1,811,455)	(2,980,169)	(2,132,018)	(2,277,035)
\$ (4,346,394)	\$ 974,229	\$ (3,935,167)	\$ (7,671,777)	\$ (6,482,987)	\$ (5,812,902)

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Revenues and Expenses - City Division - Unaudited

Last Ten Fiscal Years Ended August 31

	2023	2022	2021	2020
Operating revenues				
Water sales	\$ 3,901,227	\$ 3,803,751	\$ 3,651,759	\$ 4,090,147
Sewage disposal sales	3,262,298	3,127,319	2,872,751	3,734,923
Surcharges and other usage fees	2,150,578	2,086,680	2,049,430	826,697
Other operating revenue	480,884	239,203	222,593	158,732
Total operating revenues	<u>9,794,987</u>	<u>9,256,953</u>	<u>8,796,533</u>	<u>8,810,499</u>
Operating expenses				
Water distribution	1,814,843	1,765,557	1,752,893	1,673,522
Wastewater treatment	3,957,367	2,834,260	2,993,662	3,111,592
Wastewater pump stations	340,689	242,721	219,482	202,739
Industrial surveillance	158,293	114,391	50,769	86,816
Transmission and distribution	2,627,366	2,179,333	2,090,848	2,345,164
Meter service	314,505	357,469	288,768	335,708
Customer accounting and collections	137,928	124,982	111,152	127,900
General and administration	457,071	352,200	339,896	361,880
Total operating expenses	<u>9,808,062</u>	<u>7,970,913</u>	<u>7,847,470</u>	<u>8,245,321</u>
Operating income (loss)	<u>(13,075)</u>	<u>1,286,040</u>	<u>949,063</u>	<u>565,178</u>
Nonoperating revenues (expenses)				
Investment earnings	239,196	25,077	32,776	68,459
Connection fees	9,100	1,967	-	-
Interest and amortization expense	(818,343)	(648,916)	(434,868)	(476,457)
Total nonoperating revenues (expenses)	<u>(570,047)</u>	<u>(621,872)</u>	<u>(402,092)</u>	<u>(407,998)</u>
Income (loss) before contributions and special item	<u>\$ (583,122)</u>	<u>\$ 664,168</u>	<u>\$ 546,971</u>	<u>\$ 157,180</u>

Table 3

2019	2018	2017	2016	2015	2014
\$ 4,439,273	\$ 2,905,530	\$ 2,860,296	\$ 2,832,507	\$ 2,527,857	\$ 2,503,790
3,985,786	3,979,905	3,756,937	3,403,404	3,280,032	3,104,609
410,629	3,175,456	3,196,778	3,272,842	3,089,769	3,158,410
245,489	324,932	363,276	252,063	293,374	364,012
9,081,177	10,385,823	10,177,287	9,760,816	9,191,032	9,130,821
1,799,055	1,896,372	1,902,930	1,896,746	1,750,111	1,688,754
4,140,868	3,969,782	4,302,035	4,151,739	3,968,895	3,508,358
267,097	256,074	316,680	260,521	262,208	238,960
75,356	94,851	125,690	102,883	95,854	84,008
1,984,288	1,977,703	2,188,225	2,248,677	2,114,593	1,914,907
308,925	237,252	307,488	302,974	266,589	249,079
134,863	107,567	155,679	157,109	149,463	155,419
409,661	433,522	486,320	460,658	434,869	406,429
9,120,113	8,973,123	9,785,047	9,581,307	9,042,582	8,245,914
(38,936)	1,412,700	392,240	179,509	148,450	884,907
94,972	51,730	61,545	54,419	61,501	61,573
-	11,233	-	-	-	-
(558,994)	(629,691)	(716,955)	(863,381)	(925,881)	(989,579)
(464,022)	(566,728)	(655,410)	(808,962)	(864,380)	(928,006)
\$ (502,958)	\$ 845,972	\$ (263,170)	\$ (629,453)	\$ (715,930)	\$ (43,099)

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Revenues and Expenses - Township Division - Unaudited

Last Ten Fiscal Years Ended August 31

	2023	2022	2021	2020
Operating revenues				
Water sales	\$ 14,958,566	\$ 14,609,414	\$ 13,731,102	\$ 14,327,351
Sewage disposal sales	13,175,311	13,172,223	11,776,966	12,888,080
Surcharges and other usage fees	4,903,958	4,638,568	4,556,764	3,358,446
Other operating revenue	2,085,381	1,656,448	1,517,384	1,262,802
Total operating revenues	<u>35,123,216</u>	<u>34,076,653</u>	<u>31,582,216</u>	<u>31,836,679</u>
Operating expenses				
Water distribution	11,114,045	10,718,635	10,192,285	10,144,160
Wastewater treatment	14,665,543	14,343,061	15,728,411	14,848,586
Wastewater pump stations	1,464,566	1,306,372	1,115,517	1,232,017
Industrial surveillance	586,613	578,890	266,738	459,887
Transmission and distribution	6,330,921	6,147,621	5,957,243	5,954,905
Meter service	1,084,111	1,232,631	995,229	1,144,620
Customer accounting and collections	475,072	430,491	381,540	435,035
General and administration	1,628,169	1,616,666	1,499,061	1,650,830
Total operating expenses	<u>37,349,040</u>	<u>36,374,367</u>	<u>36,136,024</u>	<u>35,870,040</u>
Operating income (loss)	<u>(2,225,824)</u>	<u>(2,297,714)</u>	<u>(4,553,808)</u>	<u>(4,033,361)</u>
Nonoperating revenues (expenses)				
Investment earnings	305,029	215,946	142,601	108,169
Connection fees	59,665	97,713	226,766	95,616
Interest and amortization expense	(970,727)	(1,035,459)	(1,113,749)	(1,137,520)
Other nonoperating revenues	1,066	1,876	463	7,181
Cost to dispose of capital assets	-	-	-	-
Total nonoperating expenses	<u>(604,967)</u>	<u>(719,924)</u>	<u>(743,919)</u>	<u>(926,554)</u>
Income (loss) before contributions and special item	<u>\$ (2,830,791)</u>	<u>\$ (3,017,638)</u>	<u>\$ (5,297,727)</u>	<u>\$ (4,959,915)</u>

Table 4

2019	2018	2017	2016	2015	2014
\$ 14,440,628	\$ 15,614,772	\$ 14,789,856	\$ 14,283,342	\$ 12,247,029	\$ 12,064,908
14,430,454	15,158,461	14,500,002	12,822,766	12,706,305	11,750,444
1,193,413	1,008,173	913,739	940,636	879,650	857,778
1,301,353	1,566,976	1,664,500	1,374,056	1,284,880	1,196,852
31,365,848	33,348,382	31,868,097	29,420,800	27,117,864	25,869,982
9,640,002	10,248,209	10,258,249	9,788,135	8,320,239	8,219,443
13,600,642	12,413,977	13,452,956	13,666,897	13,309,708	12,352,206
1,026,169	934,507	1,151,571	1,023,224	979,160	897,557
247,512	296,615	393,053	338,674	321,445	295,776
6,904,080	5,740,132	6,045,485	6,444,899	5,867,171	5,783,880
1,048,727	802,297	1,036,419	1,011,877	885,267	825,638
457,416	362,978	524,444	524,489	496,172	515,068
1,357,805	1,377,094	1,521,872	1,493,722	1,438,121	1,401,188
34,282,353	32,175,809	34,384,049	34,291,917	31,617,283	30,290,756
(2,916,505)	1,172,573	(2,515,952)	(4,871,117)	(4,499,419)	(4,420,774)
160,790	121,791	117,056	111,944	106,547	106,689
102,434	75,725	102,322	57,171	20,712	34,051
(1,190,878)	(1,243,131)	(1,380,416)	(1,504,449)	(1,394,897)	(1,511,356)
723	1,299	4,993	-	-	21,587
-	-	-	(835,873)	-	-
(926,931)	(1,044,316)	(1,156,045)	(2,171,207)	(1,267,638)	(1,349,029)
\$ (3,843,436)	\$ 128,257	\$ (3,671,997)	\$ (7,042,324)	\$ (5,767,057)	\$ (5,769,803)

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Revenues - Unaudited

Last Ten Fiscal Years Ended August 31

	2023	2022	2021	2020
Water revenues				
Operating:				
City bi-monthly	\$ 2,999,799	\$ 2,900,886	\$ 2,879,382	\$ 2,777,878
Township bi-monthly	5,701,470	5,449,665	5,362,610	5,291,261
City monthly	901,428	902,865	865,218	841,824
Township monthly	1,101,164	1,227,984	1,191,121	1,123,417
Contract	8,155,931	7,931,765	7,248,117	7,360,055
Ready to serve/surcharge/const reserve	4,445,697	4,201,952	3,972,147	3,435,493
Other	103,857	127,501	122,977	104,322
Total operating	23,409,346	22,742,618	21,641,572	20,934,250
Interest	319,139	153,808	112,373	97,406
Other	34,382	49,839	113,382	104,322
Total water revenues	\$ 23,762,867	\$ 22,946,265	\$ 21,867,327	\$ 21,135,978
Wastewater revenues				
Operating:				
City bi-monthly	\$ 1,599,067	\$ 1,543,790	\$ 1,534,001	\$ 1,427,405
Township bi-monthly	4,068,703	3,917,918	2,897,708	3,107,677
City monthly	371,555	195,763	410,308	505,159
Township monthly	1,589,925	95,171	691,121	465,153
Contract	8,808,360	10,546,899	8,994,677	10,182,441
Ready to serve/surcharge/const reserve	2,608,839	2,523,297	2,592,362	2,658,548
Other	2,462,408	1,768,150	1,617,000	1,317,212
Total operating	21,508,857	20,590,988	18,737,177	19,663,595
Interest	225,086	87,215	63,004	79,222
Other	35,449	51,717	113,847	47,808
Total wastewater revenues	\$ 21,769,392	\$ 20,729,920	\$ 18,914,028	\$ 19,790,625

Table 5

2019	2018	2017	2016	2015	2014
\$ 2,673,356	\$ 2,151,608	\$ 2,112,225	\$ 2,009,546	\$ 1,832,901	\$ 1,786,477
5,085,661	7,042,900	6,765,633	6,453,602	5,687,099	5,658,125
964,293	837,172	846,663	899,828	732,640	788,216
1,040,347	1,115,386	1,169,047	2,307,817	1,061,206	1,044,372
6,917,449	7,373,236	6,876,635	5,445,055	5,461,040	5,291,508
2,949,014	2,222,062	2,108,869	2,160,761	2,028,003	2,061,169
182,994	271,520	152,914	272,332	256,839	294,630
19,813,114	21,013,884	20,031,986	19,548,941	17,059,728	16,924,497
143,838	102,615	23,607	95,065	95,556	95,765
51,216	43,480	28,585	28,585	10,356	17,026
<u>\$ 20,008,168</u>	<u>\$ 21,159,979</u>	<u>\$ 20,084,178</u>	<u>\$ 19,672,591</u>	<u>\$ 17,165,640</u>	<u>\$ 17,037,288</u>
\$ 1,531,631	\$ 1,864,488	\$ 1,698,899	\$ 1,638,121	\$ 1,557,237	\$ 1,516,145
3,646,163	4,898,722	4,703,050	4,531,609	4,221,211	4,190,298
425,300	507,890	639,660	560,030	509,095	542,493
460,315	564,526	967,651	853,425	837,588	806,097
11,189,839	11,302,740	9,968,705	8,642,986	8,861,206	7,800,020
1,628,921	1,585,688	1,719,838	1,669,170	1,568,067	1,590,352
1,751,743	1,996,267	1,874,862	1,737,334	1,694,764	1,630,901
20,633,912	22,720,321	21,572,665	19,632,675	19,249,168	18,076,306
111,924	70,906	33,097	71,298	72,492	72,497
51,940	44,777	28,586	28,586	10,356	17,025
<u>\$ 20,797,776</u>	<u>\$ 22,836,004</u>	<u>\$ 21,634,348</u>	<u>\$ 19,732,559</u>	<u>\$ 19,332,016</u>	<u>\$ 18,165,828</u>

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Service Consumption (in cubic feet) - Unaudited

Last Ten Fiscal Years Ended August 31

Fiscal Year	Water Usage	Sewer Usage
2023	491,830,800	1,482,401,738
2022	504,391,949	1,581,543,316
2021	478,318,826	1,487,492,781
2020	493,448,900	1,480,806,283
2019	482,674,500	1,376,118,983
2018	513,296,022	1,283,918,449
2017	521,137,800	1,001,149,321
2016	503,444,000	945,419,000
2015	465,711,500	926,283,900
2014	480,701,000	870,057,200

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Water and Sewer Revenues - Major Customers

Current Year and Seven Years Ago

Company	Product or Service	2023		
		Revenue	Rank	% of Total
Pittsfield Township	Contract community	\$ 8,626,068	1	19.20%
Western Townships Utility Authority	Contract community	5,143,937	2	11.45%
Superior Township	Contract community	2,478,059	3	5.52%
Eastern Michigan University	University	1,348,810	4	3.00%
Augusta Township	Contract community	1,118,908	5	2.49%
R A C E R / ACM	Manufacturing			
State Hospital	Government	568,598	6	1.27%
Lake in the Woods	Apartments	435,757	7	0.97%
Sun Communities	Multi-Housing	340,940	8	0.76%
Marsh Plating	Manufacturing	229,041	9	0.51%
Sumpter Township	Contract community	225,268	10	0.50%
River Drive Apts	Apartments	217,986	11	0.49%
Rawsonville	Manufacturing	210,957	12	0.47%
Forest Knoll	Apartments	170,258	13	0.38%
Willow Run LLC	Manufacturing	160,761	14	0.36%
Peninsular Place Apts	Apartments	114,582	15	0.26%
Lakeview	Apartments			
Totals		<u>\$ 21,389,930</u>		<u>47.62%</u>

Source: Ypsilanti Community Utility Authority

Note: GASB 44 was implemented in fiscal year 2016. This schedule is being built prospectively. Ultimately, current year and nine years ago data will be presented.

Table 7

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2016		
Revenue	Rank	% of Total
\$ 7,145,653	1	18.24%
6,366,568	2	16.25%
2,069,042	3	5.28%
1,646,169	4	4.20%
958,823	5	2.45%
499,883	6	1.28%
447,640	7	1.14%
350,172	9	0.89%
425,829	8	1.09%
182,978	12	0.47%
115,365	15	0.29%
204,044	10	0.52%
199,397	11	0.51%
129,336	14	0.33%
154,847	13	0.40%
<u>\$ 20,895,746</u>		<u>53.33%</u>

YPSILANTI COMMUNITY UTILITIES AUTHORITY

Table 8

Water and Wastewater Debt Coverage - Unaudited

Last Ten Fiscal Years Ended August 31

Fiscal Year	(1) Gross Revenue	(2) Operating Expenses	Net Revenue Available for Debt Service	(3) Total Debt Service Requirement	Coverage
2023	\$ 45,531,193	\$ 36,295,859	\$ 9,235,334	\$ 7,953,641	1.16
2022	43,674,309	32,979,380	10,694,929	6,054,937	1.77
2021	40,780,892	32,094,930	8,685,962	8,947,302	0.97
2020	40,919,422	32,299,790	8,619,632	5,657,855	1.52
2019	40,805,221	31,849,174	8,956,047	6,916,928	1.29
2018	43,994,684	29,758,749	14,235,935	6,496,119	2.19
2017	42,326,307	32,898,538	9,427,769	6,923,769	1.36
2016	39,405,150	32,304,067	7,101,083	6,431,896	1.10
2015	36,497,656	29,589,319	6,908,337	7,925,358	0.87
2014	35,203,116	27,676,654	7,526,462	5,027,545	1.50

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

(2) Excludes depreciation expense.

(3) Includes bonds (excludes principal reduction on refunded debt).