



Adding Quality to Life



City of Plymouth, Minnesota
**Comprehensive Annual
Financial Report**
For the Year Ended
December 31, 2009

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
CITY OF PLYMOUTH, MINNESOTA**

**For The Year Ended
December 31, 2009**

Laurie Ahrens – City Manager

**Prepared by
Administrative Services Department, Finance Division**

**Members of the Government Finance Officers
Association of the United States and Canada**

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**CITY OF PLYMOUTH, MINNESOTA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Year Ended December 31, 2009**

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal.....	v
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	ix
Organizational Chart	x
Listing of City Officials	xi
<u>FINANCIAL SECTION</u>	
Independent Auditor’s Report	1
Management’s Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	11
Statement of Activities	12
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	16
Statement of Revenues, Expenditures, and Changes in Fund Balances	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	19
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund.....	20
Transit System Special Revenue Fund	21
Community Development Block Grant Special Revenue Fund	22
Proprietary Funds:	
Statement of Net Assets	23
Statement of Revenues, Expenses, and Changes in Net Assets.....	27
Statement of Cash Flows	29
Notes to Financial Statements.....	33
Required Supplementary Information.....	58

**CITY OF PLYMOUTH, MINNESOTA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Year Ended December 31, 2009**

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>PAGE NUMBER</u>
Supplementary Information:	
Nonmajor Governmental Combining and Individual Funds Statements and Schedules	
Combining Balance Sheet – Nonmajor Governmental Funds.....	59
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	60
Special Revenue Funds – Nonmajor:	
Combining Balance Sheet.....	61
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	63
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual Recreation Special Revenue Fund.....	65
Debt Service Funds – Nonmajor:	
Combining Balance Sheet.....	66
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	67
Capital Projects Funds – Nonmajor:	
Combining Balance Sheet.....	68
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	70
Permanent Fund – Nonmajor:	
Comparative Balance Sheet.....	72
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance.....	73
General Fund Comparative Information	
Comparative Balance Sheet.....	74
Schedule of Revenues and Transfers – Budget and Actual.....	75
Schedule of Expenditures and Transfers – Budget and Actual.....	76
Proprietary Combining and Individual Funds Statements:	
Enterprise Funds – Nonmajor:	
Combining Statement of Net Assets.....	78
Combining Statement of Revenues, Expenses, and Changes In Net Assets.....	79
Combining Statement of Cash Flows.....	80

**CITY OF PLYMOUTH, MINNESOTA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Year Ended December 31, 2009**

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>PAGE NUMBER</u>
Internal Service Funds:	
Combining Statement of Net Assets	82
Combining Statement of Revenues, Expenses, and Changes In Net Assets	84
Combining Statement of Cash Flows	86
Component Unit Financial Statements:	
Housing and Redevelopment Authority:	
Government-wide Financial Statements:	
Statement of Net Assets	90
Statement of Activities	91
Fund Financial Statements:	
Balance Sheet – Government Funds	93
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	94
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	95
Reconciliation of the Statement of Revenues, Expenditures, And Changes in Fund Balances for Governmental Funds To the Government-wide Statement of Activities	96
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual General Fund	97
Housing Assistance Special Revenue Fund	98
Combining Statement of Net Assets – Proprietary Funds	99
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	100
Combining Statement of Cash Flows – Proprietary Funds	101

**CITY OF PLYMOUTH, MINNESOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended December 31, 2009**

TABLE OF CONTENTS

<u>STATISTICAL SECTION</u>	<u>PAGE NUMBER</u>
Net Assets by Component	104
Changes in Net Assets.....	105
Governmental Activities Tax Revenues by Source.....	107
Fund Balances of Governmental Funds	108
Changes in Fund Balances of Governmental Funds.....	109
General Governmental Tax Revenues by Source.....	110
Assessed Value/Tax Capacity Value and Estimated Market Value	111
Direct and Overlapping Property Tax Rates.....	112
Principal Property Taxpayers	113
Property Tax Levies and Collections	114
Ratios of Outstanding Debt by Type.....	115
Ratios of General Bonded Debt Outstanding	116
Direct and Overlapping Governmental Activities Debt	117
Legal Debt Margin Information	118
Pledged-Revenue Coverage.....	119
Demographic and Economic Statistics	120
Principal Employers	121
Full-Time Equivalent City Government Employees by Function	122
Operating Indicators by Function.....	123
Capital Asset Statistics by Function/Program	124



June 30, 2010

Honorable Mayor, Members of the City Council,
City Manager, and Residents
City of Plymouth, Minnesota

Minnesota Statutes require all cities to prepare and issue an annual report on their financial position and activity in accordance with U.S. Generally Accepted Accounting Principles (GAAP), and audited in accordance with U.S. Generally Accepted Auditing Standards by a firm of licensed certified public accountants, or the Office of the State Auditor. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Plymouth for the fiscal year ended December 31, 2009.

This report consists of management's representations of the City of Plymouth's finances. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation for the city's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the city's comprehensive framework of internal controls were designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief the financial report is accurate in all material respects, is presented in a manner designed to fairly set forth the financial position and results of operations of the city as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the city's financial affairs have been included.

The City of Plymouth's financial statements were audited by Malloy, Montague, Karnowski, Radosevich, & Co., P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for the fiscal year ended December 31, 2009, 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 that there was a reasonable basis for rendering an unqualified opinion that the City of Plymouth's financial statements for the fiscal year ended December 31, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The organization, form, and contents of this report were prepared in accordance with the standards prescribed by the Governmental Accounting Standards Board (GASB), the Government Finance Officers Association of the United States and Canada, the American Institute of Certified Public Accountants, the Minnesota State Auditor's Office, and the Plymouth City Charter.

This transmittal letter is designed to complement the Management Discussion and Analysis (MD&A) and should be read in conjunction with the MD&A. The MD&A can be found immediately following the independent auditors' report.

Reporting Entity

In accordance with GASB statements, included are all funds of the city and its component unit, the Plymouth Housing and Redevelopment Authority (HRA). The HRA is included as a discretely presented component unit.

Profile of the Government

The City of Plymouth, incorporated in 1955, is a suburban community located northwest of Minneapolis in Hennepin County. The City has a land area of 35 square miles and serves a population of approximately 72,000 residents. Plymouth is currently the 7th largest city in the state. The city has excellent access to the Minneapolis-St. Paul metropolitan area via interstate highways I-494 and I-394, US Highway 169 and Minnesota State Highway 55.

The city operates under the Mayor-Council form of government. Policymaking and legislative authority are vested in the City Council consisting of a mayor, four ward council members, and two at-large council members. The mayor and council members are elected on a non-partisan basis to serve four-year terms, with council members serving staggered terms. The Council is responsible for passing ordinances, adopting the budget, appointing board and commission members, and hiring a city manager. The city manager is responsible for carrying out the policies and ordinances of the Council, overseeing day-to-day operations of city government, and for hiring all employees.

The city provides a full range of services to residents and businesses, including police and fire protection, construction and maintenance of streets, municipal water and sanitary sewer service, maintaining parks and trails, providing recreational activities, planning, zoning and inspection services, transit services and administration.

The annual budget serves as the foundation for financial planning and control. The city uses a biennial budget model, covering two fiscal years, for planning purposes. The first year of the budget is adopted as the annual budget, the second year is adopted in concept, pending the approval of a new tax levy in the second year. All departments and agencies submit requests for appropriation to the city manager in July of each year. The city manager uses these requests as the starting point for developing a proposed budget. The proposed budget is presented to the Council for review prior to August 31. The Council adopts a preliminary budget and tax levy by September 15 of each year. Minnesota Statutes require a budget meeting be held for the public to provide comments. The final budget and tax levy are adopted by December 31, the close of the City of Plymouth's fiscal year.

Economic Condition and Outlook

The city grew substantially during the 1980s and 1990s, increasing by 61%. Plymouth's population increased another 29.5% from 1990 to 2000, and had an estimated 2009 population 72,268. The key relationship between development and the budget is our ability to generate sufficient funds to deliver appropriate public services.

The city continued a progressive and sound financial program throughout 2009, while providing core services as well as services that are intended to enhance quality of life. Community surveys and national publications rate Plymouth's services at a very high level. Although current external economic conditions

are not favorable, Plymouth's promising growth and sound financial condition, as reflected in the following financial report, place the city in an enviable position.

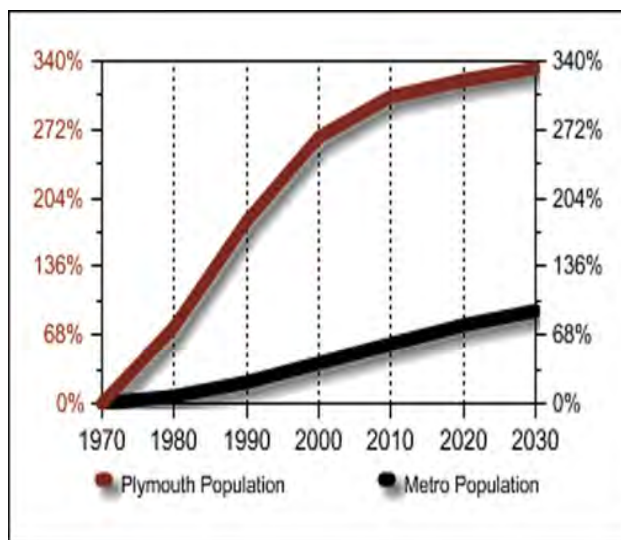
Under the leadership of the City Council, a study of internal service funds and park infrastructure replacement funds was completed to identify infrastructure needs and to develop and maintain fiscal systems to ensure the ability to remain healthy as the community begins to mature and capital facilities (infrastructure) begin to age, requiring repair or replacement.

In 2009, the city produced its second biennial budget covering fiscal years 2010-2011. This important document required significant planning and scenario-building to ensure a workable operating budget under changing economic conditions. With the approved biennial budget, the city is well-positioned to maneuver through the recent economic slow down.

Commercial and residential growth is expected to slow during the next decade, however, the city has a very strong commercial base with over 51,000 jobs.

The payable 2009 total market value of the City was \$10,059,989,600, a decrease of \$29,391,500 from 2008. The decrease in total market value between payable 2008 and payable 2009 was .29%.

Year	Population	Households	Employment
1970	18,077	4,645	6,060
1980	31,615	10,491	20,212
1990	50,889	18,361	38,103
2000	65,894	24,820	53,491
2001	66,675	25,159	52,842
2002	67,824	25,829	49,304
2003	70,238	26,871	48,740
2004	70,682	27,206	50,060
2005	70,455	27,457	50,842
2006	70,676	27,771	51,043
2007	71,147	27,962	51,402
2008	71,536	28,272	50,188
2010	73,000	29,000	59,900
2020	76,000	31,500	63,400
2030	78,500	33,500	64,500



Source: Metropolitan Council

Important Events and Future Prospects

Planning is the key to the development of a diverse economic base without sacrificing the standards required to ensure quality and order. Industrial, commercial and utility properties make up about 30% of the city's tax capacity. The city's land use guide plan designates all land uses including areas available for commercial and industrial development.

In 2008, Plymouth updated and adopted its Comprehensive Plan, a long-term planning document that will guide the community's future development and redevelopment.

The City Council, recognizing the long-term importance of safe and functioning public infrastructure, continued to expand the street reconstruction program to further preserve and lengthen the life of existing streets, water main, sanitary sewer and storm sewer infrastructure.

Plymouth's continued focus on long-term planning, public infrastructure protection and improvements, and increased accountability ensures the community is prepared for future phases of development and redevelopment, able to adapt to unforeseen economic challenges, and able to meet the needs of a maturing community.

Accounting System and Budgetary Control

Accounting records are maintained on the accrual or modified accrual basis, as appropriate. Budgetary control is maintained by an encumbrance system whereby purchase orders are pre-audited as to availability of funds prior to their release to vendors. Purchase orders which exceed appropriation balances, or were not approved, are not released until funding is available or approval is given. Open encumbrances are reported as reservations of fund balance. The budget, as adopted, can be revised by the City Council and a contingency appropriation is provided for. All amendments, individual and in total, were not material in relation to the original appropriation.

Independent Audit

State statutes require an annual audit of the books of account, financial records, and transactions of all administrative departments by independent certified public accountants selected by the City Council. The city is in compliance with state statutes, and the independent auditors' report has been included in this report.

Awards and Acknowledgements

GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Plymouth for its Comprehensive Annual Financial Report for the year ended December 31, 2008. This was the 27th consecutive year that the City of Plymouth has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. The report must satisfy GAAP requirements and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement program's requirements, and it will be submitted to the GFOA to determine eligibility for another certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Administrative Services Department. We would like to express our appreciation to all members of the department for their work in preparing this report. We also wish to thank the city manager and members of the City Council for their interest and support in planning and conducting the financial operations of the city in a responsible and progressive manner.

Respectfully submitted,



Jodi Bursheim
Finance Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Plymouth
Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



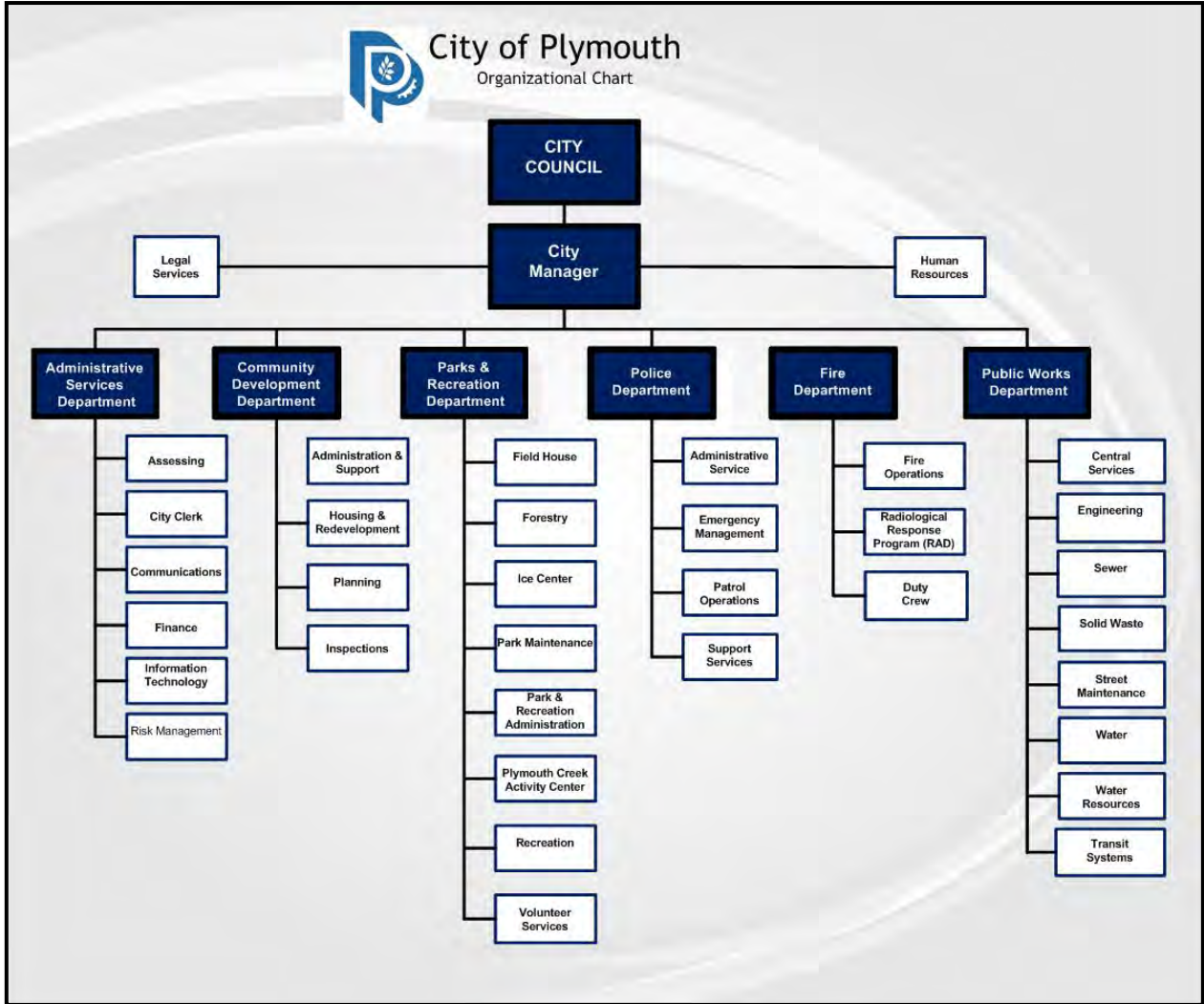
A stylized handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

CITY OF PLYMOUTH ORGANIZATIONAL CHART



**City of Plymouth
LISTING OF CITY OFFICIALS
at December 31, 2009**

Elected Officials

	<u>Ward</u>	<u>Term of Office</u>	<u>Term Expires</u>
Mayor Kelli Slavik		Four Years	12-31-10
Councilmember Judy Johnson	1	Four Years	12-31-12
Councilmember Kathleen Murdock	2	Four Years	12-31-10
Councilmember Bob Stein	3	Four Years	12-31-12
Councilmember Ginny Black	4	Four Years	12-31-10
Councilmember Tim Bildsoe	At-Large	Four Years	12-31-10
Councilmember Jim Willis	At-Large	Four Years	12-31-12

City Officials and Department Directors

City Manager	Laurie Ahrens
Director of Administrative Services and City Treasurer	Calvin Portner
Director of Community Development	Steve Juetten
Director of Parks and Recreation	Eric Blank
Director of Public Works	Doran Cote
Police Chief	Mike Goldstein
Fire Chief	Rick Kline
City Clerk	Sandy Engdahl
City Attorney	Roger Knutson
City Assessor	Janene Hebert

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PRINCIPALS

Kenneth W. Malloy, CPA
Thomas M. Montague, CPA
Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA

INDEPENDENT AUDITOR'S REPORT

To the City Council and Residents
City of Plymouth, Minnesota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Plymouth (the City) as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year partial comparative information presented has been derived from the City's financial statements for the year ended December 31, 2008, and in our report dated July 17, 2009, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2009, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the major special revenue funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The financial statements include prior year partial comparative information. Such information does not include all of the information required in a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2008, from which such partial information was derived.

(continued)

In accordance with *Government Auditing Standards*, we have also issued a report dated June 10, 2010 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, which follows this report letter, and the required supplementary information, which follows the notes to basic financial statements, are not required parts of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, supplementary information, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Malloy, Montague, Karnawski, Radosevich, & Co., P.A.

June 10, 2010

City of Plymouth, Minnesota
For the Year Ended December 31, 2009
Management's Discussion and Analysis

As management of the City of Plymouth, we offer readers of the City of Plymouth's financial statements this narrative overview and analysis of the financial activities of the City of Plymouth for the fiscal year ended December 31, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages v-viii of this report.

Financial Highlights

- At year-end 2009, the City of Plymouth's assets exceeded its liabilities by \$363 million (*net assets*). Net assets consisted of:
 - \$24.5 million (6.7% of total net assets) restricted for specific purposes
 - \$246.8 million (67.9% of total net assets) represent the City's investment in long-term assets (including roads, bridges and other infrastructure assets) net of long-term debt used to finance these assets
 - \$92.1 million (25.4% of total net assets) are unrestricted and are available to meet the City's obligations consistent with City policy, legislative intent and direction of the City Council.

- In 2009, the City's net assets increased by \$1.7 million. Of this amount, \$1.6 million was from governmental activities, and \$48 thousand was from business-type activities. The increase for governmental activities is attributable to increases in property tax revenue. Utility rate increases generated additional revenue for the business-type activities.

- The City's governmental funds reported combined ending fund balances of approximately \$62.1 million. Unlike net assets, which measure all of the City's assets less all of the City's liabilities, governmental fund balance measures only currently available, spendable resources. Approximately \$14.8 million, or 23.9%, of total governmental fund balances are reserved for specific purposes such as construction of long-term assets or debt service.

- The City's main operating fund, the General Fund, reported a year-end balance of approximately \$11.7 million. The General Fund's balance represents approximately 42.1% of annual budgeted spending in this fund. Fund balance in the General Fund increased \$463 thousand during the year.

- The City's total governmental activity bonded debt increased by approximately \$2.2 million, or 11.9% from the prior-year. Total City debt represents a very modest ratio of only 8.3% of net assets. As mentioned above, the City reserves governmental fund balances for debt service. The City's restricted resources for governmental debt service are approximately \$3.2 million which represents approximately 15.2% of governmental debt outstanding at year-end. In addition, the net revenues of the Water Sewer Utility are pledged for the debt service of the business activity debt service.

Overview of the Financial Statements

This discussion and analysis serves as an introduction to the City of Plymouth's basic financial statements. The City of Plymouth's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements - *government-wide financial statements* provide users with a broad overview of the City's finances similar to the financial statements of private-sector businesses.

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

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

Both of the government-wide financial statements distinguish functions of the City of Plymouth that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Plymouth include general government, parks and recreation, public safety, public works, and public service. Business-type activities are primarily financed through user-charges or fees. The business-type activities of the City of Plymouth include the water and sewer utility, ice center, solid waste management, water resources, field house, and internal service funds.

The government-wide financial statements can be found on pages 11-13 of this report.

Fund Financial Statements – A fund is a group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City Council establishes funds for a variety of purposes, the most important of which is to promote fulfilling its stewardship role with respect to using certain resources such as taxes and grants. The City of Plymouth's funds are divided into two major groups: governmental funds and proprietary funds. Each of these types of funds needs and uses different accounting approaches to provide information relevant to their functions.

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

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

The governmental fund statements are on pages 14-22 of this report.

Proprietary Fund statements, like the government-wide statements, measure all the economic resources of a fund and the claims against those resources. Also, like government-wide statements, the proprietary fund statements use a full accrual method of accounting for changes in the assets and liabilities of the fund. The City uses proprietary funds to account for two types of activities.

Enterprise funds account for functions, which are reported as *business-type* activities in the government-wide statements. The City of Plymouth uses enterprise funds to account for its water and sewer utility, ice center, solid waste management, water resources and field house operations. *Internal Service funds* are businesses whose only customer is the government itself. These funds are an accounting device used to accumulate and allocate costs internally among the City of Plymouth's various functions. The City of Plymouth uses internal service funds to account for information technology, fleet management services, public facilities, risk management, employee benefits and other functions. Most of the costs allocated through internal service funds benefit the government itself rather than its business activities. Therefore, internal service activities are included among the City's governmental activities in the government-wide statements.

Proprietary fund statements are on pages 23-32 of this report.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 34 - 58 of this report.

Government-wide Financial Analysis

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Plymouth, assets exceeded liabilities by approximately \$363 million at the end of fiscal year 2009. A portion of the City of Plymouth's net assets (67.9%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City of Plymouth uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Plymouth's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Plymouth, Minnesota						
Net Assets						
<i>(amounts in thousands of dollars)</i>						
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets:						
Current and other assets	\$ 92,528	\$ 87,181	\$ 35,777	\$ 37,003	\$ 128,305	\$ 124,184
Capital assets net of accumulated depreciation	171,402	174,105	101,757	101,386	273,159	275,491
Total assets	<u>\$ 263,930</u>	<u>\$ 261,286</u>	<u>\$ 137,534</u>	<u>\$ 138,389</u>	<u>\$ 401,464</u>	<u>\$ 399,675</u>
Liabilities:						
Current and other liabilities	\$ 11,412	\$ 9,129	\$ 1,928	\$ 2,048	\$ 13,340	\$ 11,177
Long-term liabilities	16,426	17,682	8,344	9,127	24,770	26,809
Total liabilities	<u>27,838</u>	<u>26,811</u>	<u>10,272</u>	<u>11,175</u>	<u>38,110</u>	<u>37,986</u>
Net Assets:						
Invested in capital assets net of related debt	154,183	155,191	92,630	91,502	246,813	246,693
Restricted net assets	5,615	5,324	18,876	19,658	24,491	24,982
Unrestricted net assets	76,294	73,960	15,756	16,054	92,050	90,014
Total net assets	<u>236,092</u>	<u>234,475</u>	<u>127,262</u>	<u>127,214</u>	<u>363,354</u>	<u>361,689</u>
Total liabilities and net assets	<u>\$ 263,930</u>	<u>\$ 261,286</u>	<u>\$ 137,534</u>	<u>\$ 138,389</u>	<u>\$ 401,464</u>	<u>\$ 399,675</u>

A portion of the City of Plymouth’s net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$89 million) may be used to meet the government’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Plymouth is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Governmental activities – Governmental activities increased the City of Plymouth’s net assets by approximately \$1.6 million or .7%. This increase relates primarily to an increase in property tax revenue.

Business-type activities – The net assets of business-type activities remained fairly stable, with an increase of only \$48 thousand.

The following table indicates the changes in net assets for the City’s governmental and business-type activities:

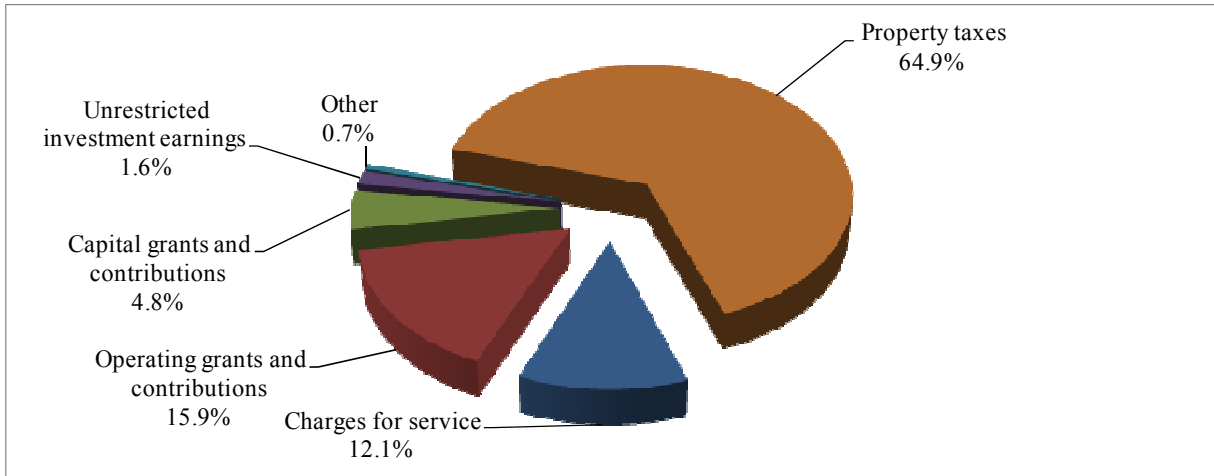
City of Plymouth, Minnesota
Changes in Net Assets
(amounts in thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for service	\$ 5,406	\$ 7,236	\$ 17,817	\$ 17,669	\$ 23,223	\$ 24,905
Operating grants and contributions	7,118	10,075	236	717	7,354	10,792
Capital grants and contributions	2,138	2,869	589	1,071	2,727	3,940
General revenues:						
Property taxes	29,058	27,543	-	-	29,058	27,543
Unrestricted investment earnings	732	2,881	571	1,433	1,303	4,314
Gain on disposal of capital assets	102	59	-	2	102	61
Other	195	241	85	123	280	364
Total revenues	<u>44,749</u>	<u>50,904</u>	<u>19,298</u>	<u>21,015</u>	<u>64,047</u>	<u>71,919</u>
Expenses:						
General government	4,979	5,398	-	-	4,979	5,398
Parks and recreation	7,498	7,914	-	-	7,498	7,914
Public safety	14,214	14,214	-	-	14,214	14,214
Public works	10,876	10,374	-	-	10,876	10,374
Public service	4,323	4,541	-	-	4,323	4,541
Water and sewer utility	-	-	14,789	14,620	14,789	14,620
Ice center	-	-	1,623	1,762	1,623	1,762
Solid waste management	-	-	943	1,029	943	1,029
Water resource management	-	-	2,087	1,922	2,087	1,922
Field house	-	-	293	299	293	299
Interest on long-term debt	757	772	-	-	757	772
Total expenses	<u>42,647</u>	<u>43,213</u>	<u>19,735</u>	<u>19,632</u>	<u>62,382</u>	<u>62,845</u>
Change in Net Assets Before Transfers	2,102	7,691	(437)	1,383	1,665	9,074
Transfers in (out)	(485)	1,328	485	(1,328)	-	-
Change in Net Assets	1,617	9,019	48	55	1,665	9,074
Net Assets at Beginning of Year	<u>234,475</u>	<u>225,456</u>	<u>127,214</u>	<u>127,159</u>	<u>361,689</u>	<u>352,615</u>
Net Assets at End of Year	<u>\$ 236,092</u>	<u>\$ 234,475</u>	<u>\$ 127,262</u>	<u>\$ 127,214</u>	<u>\$ 363,354</u>	<u>\$ 361,689</u>

Governmental Activities:

Revenues - A distinguishing financial characteristic of governmental activities is that the cost of government is paid, at least in part, by taxes. Revenues financing the City’s governmental activities costs were as follows:

Revenue Sources – Governmental Activities



Most of the City’s revenues are “home-grown”; the City of Plymouth does not rely heavily on State aids or grants. This helps insulate the City from changes imposed by the State Legislature.

Business-type Activities

The City’s Business-type activities provide water, sewer, solid waste management services, water resources and recreational facility services to its residents. The City’s business-type activities are accounted for, financed, and operated in a manner similar to private business enterprises. It is generally intended that the cost of providing services to the public be financed or recovered primarily through user charges.

The City’s business-type activities are capital intensive. The City’s investment in capital assets (net of accumulated depreciation) of its business activities totaled approximately \$101.8 million in 2009. Capital (fixed) assets represented approximately 74.0% of total business-type assets.

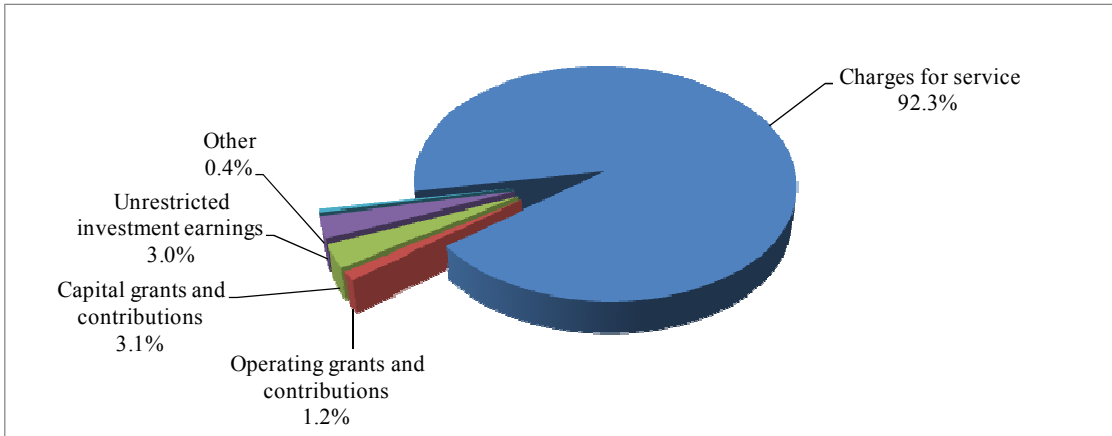
The principal challenge for the City’s business activities is financing the replacement, maintenance, and expansion of their capital assets (asset maintenance). The City of Plymouth combines operating and non-operating sources (primarily area-wide assessments) to finance its investment in business-type assets.

Operating income starts with revenues generated by charges for sales and service. As of December 31, 2009, there were 21,368 water and/or sewer customers. The water and sewer utility sales represented approximately 73.5% of total business-type charges for service revenue in 2009. Operating income alone is not sufficient to provide for the replacement, maintenance and expansion of the City’s business-type capital assets. Depreciation allocates the cost of capital assets over their estimated useful lives; it approximates the amount of capital assets “used-up” during the year. The City’s business-type activities generate positive operating income before depreciation, although it is not enough to fully offset or fund depreciation on capital assets.

In 2009, the City reported positive operating income before depreciation of approximately \$2.4 million. After depreciation, the City reported an operating loss of approximately \$1.5 million. Including non-operating income, the City’s business-type activities posted positive net income (increase in net assets) of approximately \$48.3 thousand for 2009.

Significant non-operating revenues in 2009 included area-wide assessments of \$408 thousand, investment income of \$571 thousand, and capital contributions from developers of \$1.5 million. The following chart visually illustrates the City’s revenue sources for its business-type activities:

Revenue Sources – Business-type Activities



Financial Analysis of the City of Plymouth’s Funds

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

Governmental Funds – The focus of the City of Plymouth’s *governmental funds* is to provide information on *near-term* inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Plymouth’s financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of the amount of available, spendable resources potentially available for appropriation by the City Council to finance the City’s day-to-day activities.

General Fund-

- The fund balance of the General Fund is the City’s principal liquidity reserve.
- The City Council has adopted a long-range financial plan to provide adequate operating cash for future years. The goal is to maintain a fund balance of approximately 40% of the General Fund expenditure budget. The City met this goal in 2009; the fund balance at year-end was \$11.7 million, or 42.0% of 2009 budgeted expenditures and transfers out.

Transit Fund-

- In the Transit Fund, the fund balance increased by \$793 thousand. This net change is slightly lower than in 2008 due to lower expenditures in contractual services. The budget included a large increase for fuel cost; however, fuel did not increase as aggressively as anticipated. In addition, planned repair and maintenance costs for Station 73 did not occur.

CDBG Fund-

- The fund balance in the CDBG fund decreased by \$39.9 thousand. Expenditures are reimbursed by HUD after they are expended. Reimbursement is expected in 2010.

Improvement Projects Fund-

- The fund balance decreased in the Improvement Projects Fund by \$1.5 million during the year. This decrease is due to approved expenditures for construction projects for streets, street reconstruction, and other infrastructure improvements.

There are no significant limitations on the future use of resources in these funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final General Fund budget represents the originally adopted budget, since no amendments were approved during the course of the year by the City Council.

The 2009 General Fund budget anticipated an expenditure increase of 2.2%. New spending in the General Fund focused on capital equipment purchases; as well as anticipated increases in fuel and utility costs.

General Fund revenues and other financing sources exceeded budget estimates by \$386 thousand during the year. Contributing factors for this increase included additional contractual police services as well as additional school liaison services. In addition, more revenue was generated due to a street lighting reconciliation project that resulted in billing for new parcels and adjusting the rates to cover additional surcharge costs.

General Fund expenditures were under budget estimates by \$908 thousand due to shared restraint by all departments. Other financing uses exceeded budget by \$831 thousand. The primary reason for this overage was that the net positive year-end position allowed the General Fund to make an unplanned transfer of \$730 thousand to the Infrastructure Replacement Fund.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The City's total investment in long-term (capital) assets, net of accumulated depreciation totaled \$273.2 million at year-end.

Components of the City's capital assets by type and activity are described in the table below:

City of Plymouth, Minnesota
Summary of Capital Assets
(amounts in thousands of dollars)

	Governmental Capital Assets		Business-type Capital Assets		Total Capital Assets	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land	\$ 27,839	\$ 24,965	\$ 3,199	\$ 3,199	\$ 31,038	\$ 28,164
Infrastructure	76,993	76,249	48,188	47,037	125,181	123,286
Buildings	28,747	29,845	35,944	37,447	64,691	67,292
Improvements other than buildings	8,729	8,444	1,964	2,007	10,693	10,451
Machinery and equipment	12,671	13,536	6,576	7,409	19,247	20,945
Construction in progress	16,423	21,066	5,886	4,287	22,309	25,353
Total capital assets	<u>\$ 171,402</u>	<u>\$ 174,105</u>	<u>\$ 101,757</u>	<u>\$ 101,386</u>	<u>\$ 273,159</u>	<u>\$ 275,491</u>

See footnote 4, pages 44-46, to the financial statements for additional information about the City's capital assets.

Long-Term Bonded Debt

The City's long-term bonded debt totaled \$30.2 million at year-end, compared to \$28.8 million at the beginning of the year. During the year, the City made debt service payments of \$2.5 million on existing bonds. The increase in bonded debt was due to the issuance of two refunding bonds. The proceeds from these refundings will retire the 1998C Activity Center and Field House bonds and the 1998A Tax Increment bonds in February 2010. The City's debt holds the highest rating from Moody's Investors Services: Aaa.

See footnote 5, pages 46-49, to the financial statements for a schedule showing the City's long-term debt activity.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2010 budget was conservatively developed to account for economic and legislative activity. The overall tax levy decreased by .60% to maintain current service levels. In addition, fees and user rates charges were increased to account for the resources required to deliver the service.

As a result of the City's responsible stewardship, the quality services our residents have come to expect continue to be provided at a reasonable price.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

Questions concerning the information provided in this report or requests for additional financial information should be addressed to the City of Plymouth, Administrative Services Department, 3400 Plymouth Boulevard, Plymouth, MN 55447-1482, 763-509-5300 or the City's web site at www.plymouthmn.gov.

**CITY OF PLYMOUTH, MINNESOTA
STATEMENT OF NET ASSETS
DECEMBER 31, 2009**

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Housing and Redevelopment Authority</u>
<u>ASSETS</u>				
Cash and investments	\$ 86,778,644	\$ 29,018,387	\$ 115,797,031	\$ 4,178,387
Accounts receivable	337,394	2,968,825	3,306,219	38,160
Notes receivable	1,763,028	-	1,763,028	964,830
Taxes receivable	549,615	-	549,615	9,696
Special assessments receivable	389,214	5,103,650	5,492,864	-
Accrued interest receivable	286,366	69,417	355,783	64,762
Due from other governments	415,528	54,111	469,639	-
Internal balances	1,494,059	(1,494,059)	-	-
Inventory	118,255	56,941	175,196	-
Prepaid expenses	264,996	-	264,996	275,907
Deferred charges	131,303	-	131,303	107,149
Capital assets:				
Nondepreciable:				
Land	27,839,461	3,199,264	31,038,725	1,333,840
Construction in progress	16,422,976	5,886,388	22,309,364	-
Depreciable (net):				
Buildings	28,747,217	35,943,538	64,690,755	11,789,113
Improvements other than buildings	8,729,103	1,964,299	10,693,402	257,498
Machinery and equipment	12,670,459	6,575,647	19,246,106	291,112
Infrastructure	76,992,555	48,187,576	125,180,131	-
TOTAL ASSETS	<u>\$ 263,930,173</u>	<u>\$ 137,533,984</u>	<u>\$ 401,464,157</u>	<u>\$ 19,310,454</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 1,759,682	\$ 446,577	\$ 2,206,259	\$ 54,044
Contracts payable	223,773	279,984	503,757	-
Accrued salaries and benefits payable	396,538	91,624	488,162	16,116
Deposits payable	721,053	-	721,053	92,396
Due to other governments	3,695	10,263	13,958	75,825
Unearned revenue	492,705	171,256	663,961	158,988
Accrued interest payable	303,093	145,213	448,306	236,767
Noncurrent liabilities:				
Due within one year	7,510,942	783,000	8,293,942	336,268
Due in more than one year	16,426,223	8,343,837	24,770,060	13,812,991
Total liabilities	<u>27,837,704</u>	<u>10,271,754</u>	<u>38,109,458</u>	<u>14,783,395</u>
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	154,182,769	92,629,875	246,812,644	(477,696)
Restricted for:				
Debt service	3,208,424	-	3,208,424	688,415
Tax Increment Financing	2,228,973	-	2,228,973	-
Cemetery perpetual care:				
Nonexpendable	45,500	-	45,500	-
Expendable	131,996	-	131,996	-
Affordable housing	-	-	-	21,037
Utility trunk	-	16,883,000	16,883,000	-
Water resources	-	1,993,261	1,993,261	-
Unrestricted	76,294,807	15,756,094	92,050,901	4,295,303
Total net assets	<u>236,092,469</u>	<u>127,262,230</u>	<u>363,354,699</u>	<u>4,527,059</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 263,930,173</u>	<u>\$ 137,533,984</u>	<u>\$ 401,464,157</u>	<u>\$ 19,310,454</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF PLYMOUTH, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2009**

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
PRIMARY GOVERNMENT:				
Governmental activities:				
General government	\$ 4,979,007	\$ 333,160	\$ 123,571	\$ 57,433
Parks and recreation	7,498,114	1,311,623	6,725	87,526
Public safety	14,213,532	2,175,990	2,158,656	48,505
Public works	10,875,966	575,969	1,137,604	1,944,402
Public service	4,322,963	1,009,264	3,691,800	-
Interest on long-term debt	757,348	-	-	-
Total governmental activities	<u>42,646,930</u>	<u>5,406,006</u>	<u>7,118,356</u>	<u>2,137,866</u>
Business-type activities:				
Water sewer utility	14,789,046	13,089,443	-	589,418
Ice center	1,623,345	1,405,726	10,000	-
Solid waste management	943,556	410,956	186,825	-
Water resources	2,086,272	2,546,827	38,823	-
Field house	293,311	364,353	-	-
Total business-type activities	<u>19,735,530</u>	<u>17,817,305</u>	<u>235,648</u>	<u>589,418</u>
Total primary government	<u>\$ 62,382,460</u>	<u>\$ 23,223,311</u>	<u>\$ 7,354,004</u>	<u>\$ 2,727,284</u>
COMPONENT UNIT:				
Housing and Redevelopment Authority	<u>\$ 6,155,691</u>	<u>\$ 1,924,548</u>	<u>\$ 3,485,460</u>	<u>\$ -</u>
GENERAL REVENUES:				
Property taxes				
Unrestricted investment earnings				
Gain on sale of capital assets				
Other				
TRANSFERS				
Total general revenues and transfers				
CHANGE IN NET ASSETS				
NET ASSETS - BEGINNING				
NET ASSETS - ENDING				

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Housing and Redevelopment Authority
\$ (4,464,843)	\$	\$ (4,464,843)	
(6,092,240)		(6,092,240)	
(9,830,381)		(9,830,381)	
(7,217,991)		(7,217,991)	
378,101		378,101	
(757,348)		(757,348)	
<u>(27,984,702)</u>		<u>(27,984,702)</u>	
-	(1,110,185)	(1,110,185)	
-	(207,619)	(207,619)	
-	(345,775)	(345,775)	
-	499,378	499,378	
-	71,042	71,042	
-	(1,093,159)	(1,093,159)	
<u>(27,984,702)</u>	<u>(1,093,159)</u>	<u>(29,077,861)</u>	
			<u>(745,683)</u>
29,057,447	-	29,057,447	530,046
731,673	571,478	1,303,151	58,919
102,415	-	102,415	-
195,069	85,225	280,294	15,335
(484,805)	484,805	-	-
<u>29,601,799</u>	<u>1,141,508</u>	<u>30,743,307</u>	<u>604,300</u>
1,617,097	48,349	1,665,446	(141,383)
<u>234,475,372</u>	<u>127,213,881</u>	<u>361,689,253</u>	<u>4,668,442</u>
<u>\$ 236,092,469</u>	<u>\$ 127,262,230</u>	<u>\$ 363,354,699</u>	<u>\$ 4,527,059</u>

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**CITY OF PLYMOUTH, MINNESOTA
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2009
(with comparative totals for December 31, 2008)**

	General	Special Revenue		Capital Project	Nonmajor Governmental Funds
		Transit System	Community Development Block Grant	Improvement Projects	
ASSETS					
Cash and investments	\$ 13,175,844	\$ 4,443,650	\$ 18,966	\$ 3,899,671	\$ 41,257,644
Accounts receivable	67,513	187,884	-	30,044	41,428
Notes receivable	-	-	1,021,924	-	741,104
Taxes receivable	515,676	-	48	391	33,500
Special assessments receivable	18,389	-	-	-	370,825
Accrued interest receivable	33,490	10,637	20,566	9,335	155,253
Due from other funds	30,000	-	-	-	253,837
Due from other governments	115,427	210,875	53,811	22,805	432
Prepaid expenses	7,229	-	-	-	-
Advances to other funds	-	-	-	448,379	1,181,648
TOTAL ASSETS	\$ 13,963,568	\$ 4,853,046	\$ 1,115,315	\$ 4,410,625	\$ 44,035,671
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 400,687	\$ 326,962	\$ 860	\$ 11,732	\$ 348,589
Contracts payable	-	-	-	132,598	91,175
Accrued salaries and benefits payable	324,654	3,132	1,614	5,449	14,313
Deposits payable	720,703	-	-	-	350
Due to other funds	-	-	-	-	253,837
Due to other governments	214	-	-	-	498
Advances from other funds	-	-	-	-	448,379
Deferred revenue	786,119	-	1,096,256	23,195	1,328,927
Total liabilities	2,232,377	330,094	1,098,730	172,974	2,486,068
Fund balances:					
Reserved for:					
Advances	-	-	-	448,379	1,181,648
Debt service	-	-	-	-	7,224,694
Encumbrances	246,466	-	-	354,324	99,424
Special revenue projects	-	-	16,585	-	12,796
Cemetery perpetual care:					
Nonexpendable	-	-	-	-	45,500
Expendable	-	-	-	-	131,996
Construction projects	-	-	-	-	3,118,464
Tax increment financing	-	-	-	-	1,961,110
Prepays	7,229	-	-	-	-
Unreserved, designated for, reported in:					
General fund for working capital	11,477,496	-	-	-	-
General fund for DEA asset sharing	-	-	-	-	-
Capital project funds for capital improvements	-	-	-	3,434,948	16,165,909
Unreserved, undesignated, reported in:					
Special revenue funds	-	4,522,952	-	-	742,325
Capital project funds	-	-	-	-	10,865,737
Total fund balances	11,731,191	4,522,952	16,585	4,237,651	41,549,603
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,963,568	\$ 4,853,046	\$ 1,115,315	\$ 4,410,625	\$ 44,035,671

The notes to the financial statements are an integral part of this statement.

Totals

2009	2008
\$ 62,795,775	\$ 58,541,477
326,869	390,121
1,763,028	1,593,080
549,615	511,513
389,214	494,273
229,281	356,551
283,837	27,010
403,350	269,420
7,229	8,680
1,630,027	1,923,590
<u>\$ 68,378,225</u>	<u>\$ 64,115,715</u>

\$ 1,088,830	\$ 1,129,048
223,773	675,498
349,162	828,523
721,053	869,607
253,837	12,010
712	12,169
448,379	692,420
3,234,497	3,443,283
<u>6,320,243</u>	<u>7,662,558</u>

1,630,027	1,923,590
7,224,694	3,432,063
700,214	1,613,359
29,381	69,212
45,500	45,500
131,996	130,505
3,118,464	2,815,129
1,961,110	1,368,973
7,229	8,680
11,477,496	9,896,732
-	30,398
19,600,857	18,914,209
5,265,277	4,299,921
10,865,737	11,904,886
<u>62,057,982</u>	<u>56,453,157</u>
<u>\$ 68,378,225</u>	<u>\$ 64,115,715</u>

**CITY OF PLYMOUTH, MINNESOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2009**

FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 62,057,982

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

- | | | | |
|----|---|----------------------|----------------|
| 1. | Capital assets used in governmental activities are not financial resources, therefore are not reported in the fund statements. | | |
| | Capital assets | 324,197,629 | |
| | Accumulated depreciation | <u>(160,111,111)</u> | 164,086,518 |
| 2. | Long-term liabilities are not due and payable in the current period, therefore are not reported in the fund statements. | | |
| | Bonds payable | (21,090,000) | |
| | Premium / discount on bonds | (133,499) | |
| | Accrued interest payable | <u>(303,093)</u> | (21,526,592) |
| 3. | Deferred revenue in governmental funds is susceptible to full accrual on government-wide statements. | | 2,742,542 |
| 4. | Other long-term assets are not available to pay current-period expenditures, therefore are not included in the funds. | | 131,303 |
| 5. | Internal service funds are used to charge the costs of fleet and building management, management information systems, employee benefits, and other items to individual funds. The assets and liabilities (including capital assets) of the internal service funds are included in governmental activities in the statement of net assets. | | 28,288,305 |
| 6. | Internal balances which are the result of the allocation of internal service fund operations to the business-type activities are eliminated on the statement of net assets. | | <u>312,411</u> |

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 236,092,469

The notes to the financial statements are an integral part of this statement.

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CITY OF PLYMOUTH, MINNESOTA
GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2009
(with comparative totals for year ended December 31, 2008)

	General	Special Revenue		Capital Project	Nonmajor Governmental Funds
		Transit System	Community Development Block Grant	Improvement Projects	
REVENUES:					
General property taxes	\$ 22,197,937	\$ -	\$ 11,498	\$ -	\$ 6,827,256
Special assessments	4,368	-	-	-	123,882
Licenses and permits	2,272,090	-	-	-	-
Intergovernmental	1,575,068	3,508,120	283,680	171,807	2,148,114
Charges for services	1,082,485	1,206,214	-	525	1,133,242
Fines and forfeitures	798,496	-	-	-	-
Contributions	23,115	-	-	-	68,476
Interest income	40,489	37,324	828	61,358	427,834
Loan repayments	-	-	-	-	4,896
Other revenues	117,175	-	-	40,037	70,220
Total revenues	<u>28,111,223</u>	<u>4,751,658</u>	<u>296,006</u>	<u>273,727</u>	<u>10,803,920</u>
EXPENDITURES:					
Current:					
General government	4,099,046	-	-	-	4,268
Parks and recreation	4,583,651	-	-	-	1,715,923
Public safety	13,511,029	-	-	-	-
Public works	4,155,323	-	-	-	-
Public service	-	3,936,507	334,303	-	178,093
Interest on interfund advances	-	-	-	-	39,223
Debt service:					
Principal retirement	-	-	-	-	1,690,000
Bond issuance costs	-	-	-	-	49,305
Interest and fiscal charges	-	-	-	-	759,421
Capital outlay	-	-	-	3,665,799	3,970,100
Total expenditures	<u>26,349,049</u>	<u>3,936,507</u>	<u>334,303</u>	<u>3,665,799</u>	<u>8,406,333</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES					
	<u>1,762,174</u>	<u>815,151</u>	<u>(38,297)</u>	<u>(3,392,072)</u>	<u>2,397,587</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	207,201	-	-	2,590,540	5,707,524
Transfers out	(1,506,683)	(22,186)	(1,652)	(733,060)	(6,185,899)
General obligation bonds issued	-	-	-	-	3,935,000
Premium on bonds issued	-	-	-	-	69,497
Total other financing sources (uses)	<u>(1,299,482)</u>	<u>(22,186)</u>	<u>(1,652)</u>	<u>1,857,480</u>	<u>3,526,122</u>
NET CHANGE IN FUND BALANCES	462,692	792,965	(39,949)	(1,534,592)	5,923,709
FUND BALANCES AT BEGINNING OF YEAR	<u>11,268,499</u>	<u>3,729,987</u>	<u>56,534</u>	<u>5,772,243</u>	<u>35,625,894</u>
FUND BALANCES AT END OF YEAR	<u>\$ 11,731,191</u>	<u>\$ 4,522,952</u>	<u>\$ 16,585</u>	<u>\$ 4,237,651</u>	<u>\$ 41,549,603</u>

The notes to the financial statements are an integral part of this statement.

Totals	
2009	2008
\$ 29,036,691	\$ 27,465,423
128,250	133,773
2,272,090	3,828,156
7,686,789	8,099,592
3,422,466	3,238,106
798,496	896,876
91,591	705,450
567,833	2,094,495
4,896	-
227,432	277,841
<u>44,236,534</u>	<u>46,739,712</u>
4,103,314	4,340,934
6,299,574	6,219,456
13,511,029	13,222,144
4,155,323	4,294,415
4,448,903	4,451,583
39,223	50,846
1,690,000	1,600,000
49,305	-
759,421	752,054
7,635,899	11,234,799
<u>42,691,991</u>	<u>46,166,231</u>
<u>1,544,543</u>	<u>573,481</u>
8,505,265	11,857,874
(8,449,480)	(10,383,818)
3,935,000	-
69,497	-
<u>4,060,282</u>	<u>1,474,056</u>
5,604,825	2,047,537
<u>56,453,157</u>	<u>54,405,620</u>
<u>\$ 62,057,982</u>	<u>\$ 56,453,157</u>

CITY OF PLYMOUTH, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2009

NET INCREASE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 5,604,825

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

1.	Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	\$ 6,140,522	
	Capital outlay	6,140,522	
	Depreciation expense	<u>(8,642,172)</u>	(2,501,650)
2.	Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		(461,340)
3.	The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
	Principal repayments	1,690,000	
	New debt issued	<u>(3,935,000)</u>	(2,245,000)
5.	Debt issuance premiums and discounts are reported in the governmental funds as an other financing source or use at the time of issuance. However, they are reported as an unamortized asset or liability in the governmental fund statements.		(20,192)
6.	Interest expense in the government-wide statement of activities differs from the amount reported in governmental funds because additional accrued interest was calculated for bonds payable, and additional expense was recognized on the amortization of bond discounts and premiums which are expended in the governmental fund statements.		
	Accrued interest payable	12,331	
	Amortization of bond discounts and premium	<u>(10,258)</u>	2,073
7.	Capital assets contributed to the City by developers are not current financial resources, therefore not reported in the governmental fund statements.		247,756
8.	Governmental funds report outlays of housing loans as expenditures while in the government-wide statement the disbursement increases notes receivable in the statement of net assets and does not affect the statement of activities.		299,843
9.	Internal service funds are used to charge the cost of certain activities, such as insurance, fleet and building management, management information systems, employee benefits, and other items to individual funds. This amount represents the change in net assets of the internal service funds, which are reported with governmental activities.		880,589
10.	The net effect of various transactions involving capital assets (i.e. sales and dispositions) is to decrease net assets.		<u>(189,807)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES			<u><u>\$ 1,617,097</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF PLYMOUTH, MINNESOTA
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2009
(with comparative totals for year ended December 31, 2008)**

	2009			2008
	Original and Final Budget	Actual	Variance with Final Budget	Actual
REVENUES:				
Taxes and special assessments	\$ 22,168,764	\$ 22,202,305	\$ 33,541	\$ 21,180,989
Licenses and permits	2,249,300	2,272,090	22,790	3,828,156
Intergovernmental	977,463	1,575,068	597,605	1,506,672
Charges for services	1,037,310	1,082,485	45,175	1,263,359
Fines and forfeitures	900,500	798,496	(102,004)	896,876
Interest income	308,000	40,489	(267,511)	378,618
Other revenues	41,000	140,290	99,290	213,135
Total revenues	<u>27,682,337</u>	<u>28,111,223</u>	<u>428,886</u>	<u>29,267,805</u>
EXPENDITURES:				
Current:				
General government	4,422,077	4,099,046	323,031	4,337,596
Parks and recreation	4,967,900	4,583,651	384,249	4,490,678
Public safety	13,329,266	13,511,029	(181,763)	13,218,263
Public works	4,537,613	4,155,323	382,290	4,294,415
Total expenditures	<u>27,256,856</u>	<u>26,349,049</u>	<u>907,807</u>	<u>26,340,952</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>425,481</u>	<u>1,762,174</u>	<u>1,336,693</u>	<u>2,926,853</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	250,158	207,201	(42,957)	498,270
Transfers out	(675,639)	(1,506,683)	(831,044)	(3,187,894)
Total other financing sources (uses)	<u>(425,481)</u>	<u>(1,299,482)</u>	<u>(874,001)</u>	<u>(2,689,624)</u>
NET CHANGE IN FUND BALANCE	-	462,692	462,692	237,229
FUND BALANCE AT BEGINNING OF YEAR	<u>11,268,499</u>	<u>11,268,499</u>	-	<u>11,031,270</u>
FUND BALANCE AT END OF YEAR	<u>\$ 11,268,499</u>	<u>\$ 11,731,191</u>	<u>\$ 462,692</u>	<u>\$ 11,268,499</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF PLYMOUTH, MINNESOTA
TRANSIT SYSTEM SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2009
(with comparative totals for year ended December 31, 2008)**

	2009			2008
	Original and Final Budget	Actual	Variance with Final Budget	Actual
REVENUES:				
Intergovernmental	\$ 3,500,000	\$ 3,508,120	\$ 8,120	\$ 3,962,993
Charges for services	1,240,000	1,206,214	(33,786)	862,240
Interest income	45,000	37,324	(7,676)	137,314
Other revenues	-	-	-	45
Total revenues	<u>4,785,000</u>	<u>4,751,658</u>	<u>(33,342)</u>	<u>4,962,592</u>
EXPENDITURES:				
Current:				
Public service:				
Personal services	171,491	162,668	8,823	151,203
Materials and supplies	2,000	136	1,864	2,123
Contractual services	4,888,516	3,773,703	1,114,813	3,886,621
Total expenditures	<u>5,062,007</u>	<u>3,936,507</u>	<u>1,125,500</u>	<u>4,039,947</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(277,007)</u>	<u>815,151</u>	<u>1,092,158</u>	<u>922,645</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	299,193	-	(299,193)	-
Transfers out	(22,186)	(22,186)	-	(66,024)
Total other financing sources (uses)	<u>277,007</u>	<u>(22,186)</u>	<u>(299,193)</u>	<u>(66,024)</u>
NET CHANGE IN FUND BALANCE	-	792,965	792,965	856,621
FUND BALANCE AT BEGINNING OF YEAR	<u>3,729,987</u>	<u>3,729,987</u>	<u>-</u>	<u>2,873,366</u>
FUND BALANCE AT END OF YEAR	<u>\$ 3,729,987</u>	<u>\$ 4,522,952</u>	<u>\$ 792,965</u>	<u>\$ 3,729,987</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF PLYMOUTH, MINNESOTA
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2009
(with comparative totals for year ended December 31, 2008)**

	2009			Variance with Final Budget	2008
	Original Budget	Final Budget	Actual		Actual
REVENUES:					
General property taxes	\$ 11,847	\$ 11,847	\$ 11,498	\$ (349)	\$ 11,516
Intergovernmental	320,000	323,607	283,680	(39,927)	384,458
Interest income	500	500	828	328	987
Total revenues	<u>332,347</u>	<u>335,954</u>	<u>296,006</u>	<u>(39,948)</u>	<u>396,961</u>
EXPENDITURES:					
Current:					
Public service:					
Personal services	57,564	57,564	88,726	(31,162)	76,628
Materials and supplies	550	550	127	423	262
Contractual services	272,581	276,188	245,450	30,738	334,746
Total expenditures	<u>330,695</u>	<u>334,302</u>	<u>334,303</u>	<u>(1)</u>	<u>411,636</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,652</u>	<u>1,652</u>	<u>(38,297)</u>	<u>(39,949)</u>	<u>(14,675)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	272
Transfers out	(1,652)	(1,652)	(1,652)	-	(3,654)
Total other financing sources (uses)	<u>(1,652)</u>	<u>(1,652)</u>	<u>(1,652)</u>	<u>-</u>	<u>(3,382)</u>
NET CHANGE IN FUND BALANCE	-	-	(39,949)	(39,949)	(18,057)
FUND BALANCE AT BEGINNING OF YEAR	<u>56,534</u>	<u>56,534</u>	<u>56,534</u>	<u>-</u>	<u>74,591</u>
FUND BALANCE AT END OF YEAR	<u>\$ 56,534</u>	<u>\$ 56,534</u>	<u>\$ 16,585</u>	<u>\$ (39,949)</u>	<u>\$ 56,534</u>

The notes to the financial statements are an integral part of this statement.

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**CITY OF PLYMOUTH, MINNESOTA
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 DECEMBER 31, 2009
 (with comparative totals for December 31, 2008)**

	Business-type Activities - Enterprise Funds		
	Water Sewer Utility	Ice Center	Nonmajor Funds
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 22,507,006	\$ 605,256	\$ 5,906,125
Accounts receivable	2,791,829	165,304	11,692
Special assessments receivable	5,103,650	-	-
Accrued interest receivable	53,895	1,383	14,139
Due from other governments	181	5,212	48,718
Inventory	49,379	7,562	-
Prepaid expenses	-	-	-
Advances to other funds	-	-	-
Total current assets	<u>30,505,940</u>	<u>784,717</u>	<u>5,980,674</u>
Noncurrent assets:			
Capital assets:			
Land	2,074,062	1,077,651	47,551
Buildings	38,106,317	12,307,701	1,401,187
Improvements other than buildings	1,173,163	1,234,484	545,577
Machinery and equipment	11,214,668	895,269	233,609
Infrastructure	71,606,816	-	2,640,915
Construction in progress	4,297,623	-	1,588,765
Total capital assets	<u>128,472,649</u>	<u>15,515,105</u>	<u>6,457,604</u>
Less accumulated depreciation	<u>(42,704,329)</u>	<u>(4,493,119)</u>	<u>(1,491,198)</u>
Net capital assets	<u>85,768,320</u>	<u>11,021,986</u>	<u>4,966,406</u>
TOTAL ASSETS	<u>\$ 116,274,260</u>	<u>\$ 11,806,703</u>	<u>\$ 10,947,080</u>

(Continued...)

		Governmental Activities - Internal Service Funds	
Totals		Totals	
2009	2008	2009	2008
\$ 29,018,387	\$ 29,314,181	\$ 23,982,869	23,059,342
2,968,825	3,087,268	10,525	38,644
5,103,650	5,947,405	-	-
69,417	145,303	57,085	113,380
54,111	53,497	12,178	27,829
56,941	34,195	118,255	97,330
-	-	257,767	3,900
-	38,702	-	-
<u>37,271,331</u>	<u>38,620,551</u>	<u>24,438,679</u>	<u>23,340,425</u>
3,199,264	3,199,264	33,520	33,520
51,815,205	51,786,252	103,118	-
2,953,224	2,837,731	405,411	-
12,343,546	12,263,223	16,541,040	16,367,604
74,247,731	71,721,891	-	-
5,886,388	4,286,725	-	86,400
<u>150,445,358</u>	<u>146,095,086</u>	<u>17,083,089</u>	<u>16,487,524</u>
<u>(48,688,646)</u>	<u>(44,708,529)</u>	<u>(9,767,836)</u>	<u>(8,913,336)</u>
<u>101,756,712</u>	<u>101,386,557</u>	<u>7,315,253</u>	<u>7,574,188</u>
<u>\$ 139,028,043</u>	<u>\$ 140,007,108</u>	<u>\$ 31,753,932</u>	<u>\$ 30,914,613</u>

**CITY OF PLYMOUTH, MINNESOTA
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 DECEMBER 31, 2009
 (with comparative totals for December 31, 2008)**

(Continued from previous page)

	Business-type Activities - Enterprise Funds		
	Water Sewer Utility	Ice Center	Nonmajor Funds
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	\$ 291,612	\$ 52,416	\$ 102,549
Contracts payable	163,201	-	116,783
Accrued salaries and benefits payable	60,632	11,136	19,856
Compensated absences payable	-	-	-
Due to other funds	-	-	-
Due to other governments	4,851	3,802	1,610
Unearned revenue	39,882	47,767	83,607
Accrued interest payable	145,213	-	-
Advances from other funds	-	92,856	-
Revenue bonds payable	783,000	-	-
Total current liabilities	<u>1,488,391</u>	<u>207,977</u>	<u>324,405</u>
Noncurrent liabilities:			
OPEB (net)	-	-	-
Compensated absences payable	-	-	-
Advances from other funds	-	1,088,792	-
Revenue bonds payable (net of unamortized discounts)	8,343,837	-	-
Total noncurrent liabilities	<u>8,343,837</u>	<u>1,088,792</u>	<u>-</u>
Total liabilities	<u>9,832,228</u>	<u>1,296,769</u>	<u>324,405</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	76,641,483	11,021,986	4,966,406
Restricted for:			
Utility trunk	16,883,000	-	-
Water resources	-	-	1,976,195
Unrestricted	12,917,549	(512,052)	3,680,074
Total net assets	<u>106,442,032</u>	<u>10,509,934</u>	<u>10,622,675</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 116,274,260</u>	<u>\$ 11,806,703</u>	<u>\$ 10,947,080</u>

Total net assets - Enterprise funds
 Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.
 Net assets of business-type activities

The notes to the financial statements are an integral part of this statement.

		Governmental Activities - Internal Service Funds	
Totals		Totals	
2009	2008	2009	2008
\$ 446,577	\$ 454,685	\$ 670,852	\$ 1,182,052
279,984	292,732	-	-
91,624	205,338	47,376	89,512
-	-	1,624,202	1,594,160
-	-	30,000	15,000
10,263	313	2,983	640
171,256	182,762	750	2,760
145,213	154,714	-	-
92,856	88,224	-	-
783,000	758,000	-	-
<u>2,020,773</u>	<u>2,136,768</u>	<u>2,376,163</u>	<u>2,884,124</u>
-	-	401,788	196,831
-	-	687,676	461,505
1,088,792	1,181,648	-	-
8,343,837	9,126,837	-	-
<u>9,432,629</u>	<u>10,308,485</u>	<u>1,089,464</u>	<u>658,336</u>
<u>11,453,402</u>	<u>12,445,253</u>	<u>3,465,627</u>	<u>3,542,460</u>
92,629,875	91,501,720	7,315,253	7,574,188
16,883,000	17,483,566	-	-
1,976,195	2,219,609	-	-
<u>16,085,571</u>	<u>16,356,960</u>	<u>20,973,052</u>	<u>19,797,965</u>
<u>127,574,641</u>	<u>127,561,855</u>	<u>28,288,305</u>	<u>27,372,153</u>
<u>\$ 139,028,043</u>	<u>\$ 140,007,108</u>	<u>\$ 31,753,932</u>	<u>\$ 30,914,613</u>
\$ 127,574,641	\$ 127,561,855		
(312,411)	(347,974)		
<u>\$ 127,262,230</u>	<u>\$ 127,213,881</u>		

CITY OF PLYMOUTH, MINNESOTA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2009
(with comparative totals for year ended December 31, 2008)

	Business-type Activities - Enterprise Funds		
	Water Sewer Utility	Ice Center	Nonmajor Funds
OPERATING REVENUES:			
Charges for services	\$ 12,880,616	\$ 1,405,726	\$ 3,295,825
Other fees	208,827	-	26,311
Other sales	-	-	-
Total operating revenue	<u>13,089,443</u>	<u>1,405,726</u>	<u>3,322,136</u>
OPERATING EXPENSES:			
Personal services	2,941,490	502,072	1,020,219
Materials and supplies	871,781	132,861	257,025
Contractual services	7,323,206	437,644	1,885,598
Depreciation	3,333,342	470,440	176,335
Total operating expenses	<u>14,469,819</u>	<u>1,543,017</u>	<u>3,339,177</u>
OPERATING LOSS	<u>(1,380,376)</u>	<u>(137,291)</u>	<u>(17,041)</u>
NONOPERATING REVENUES (EXPENSES):			
Interest income	512,890	6,323	52,265
Intergovernmental	-	-	225,648
Assessments	407,576	-	-
Gain (loss) on disposal of capital assets	-	-	-
Contributions	-	10,000	-
Other	45,317	5,204	34,704
Interest expense	(352,412)	(66,668)	-
Total nonoperating revenues (expenses)	<u>613,371</u>	<u>(45,141)</u>	<u>312,617</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(767,005)	(182,432)	295,576
CAPITAL CONTRIBUTIONS	1,314,041	-	200,570
TRANSFERS IN	28,953	17,495	-
TRANSFERS OUT	<u>(716,741)</u>	<u>(21,439)</u>	<u>(156,232)</u>
CHANGES IN NET ASSETS	(140,752)	(186,376)	339,914
NET ASSETS AT BEGINNING OF YEAR	<u>106,582,784</u>	<u>10,696,310</u>	<u>10,282,761</u>
NET ASSETS AT END OF YEAR	<u>\$ 106,442,032</u>	<u>\$ 10,509,934</u>	<u>\$ 10,622,675</u>

Change in net assets - Enterprise funds
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.
Change in net assets of business-type activities

The notes to the financial statements are an integral part of this statement.

				Governmental Activities - Internal Service Funds			
Totals				Totals			
2009	2008			2009	2008		
\$ 17,582,167	\$ 16,469,287	\$		8,556,144	\$		8,176,017
235,138	1,012,200			-			-
-	-			183,460			78,040
<u>17,817,305</u>	<u>17,481,487</u>			<u>8,739,604</u>			<u>8,254,057</u>
-							
4,463,781	4,427,584			4,317,369			4,646,166
1,261,667	1,091,706			1,032,693			1,203,361
9,646,448	9,400,733			2,255,790			2,742,934
3,980,117	4,007,640			1,452,876			1,330,016
<u>19,352,013</u>	<u>18,927,663</u>			<u>9,058,728</u>			<u>9,922,477</u>
(1,534,708)	(1,446,176)			(319,124)			(1,668,420)
571,478	1,433,429			194,483			767,719
225,648	903,438			-			-
407,576	2,574,012			-			-
-	1,610			102,415			59,398
10,000	310			3,775			16,485
85,225	123,021			35,141			5,644
(419,080)	(446,244)			-			-
<u>880,847</u>	<u>4,589,576</u>			<u>335,814</u>			<u>849,246</u>
(653,861)	3,143,400			16,690			(819,174)
1,514,611	1,011,341			107,283			263,865
46,448	10,954			937,786			2,567,513
<u>(894,412)</u>	<u>(3,845,762)</u>			<u>(145,607)</u>			<u>(206,761)</u>
12,786	319,933			916,152			1,805,443
<u>127,561,855</u>	<u>127,241,922</u>			<u>27,372,153</u>			<u>25,566,710</u>
<u>\$ 127,574,641</u>	<u>\$ 127,561,855</u>	<u>\$</u>		<u>28,288,305</u>	<u>\$</u>		<u>27,372,153</u>
\$ 12,786	\$ 319,933						
35,563	(265,203)						
<u>\$ 48,349</u>	<u>\$ 54,730</u>						

**CITY OF PLYMOUTH, MINNESOTA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2009
 (with comparative totals for year ended December 31, 2008)**

	Business-type Activities - Enterprise Funds		
	Water Sewer Utility	Ice Center	Nonmajor Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers or users	\$ 12,977,111	\$ 1,354,603	\$ 3,705,142
Payments to suppliers	(8,239,340)	(572,627)	(2,184,990)
Payments to employees	(3,018,565)	(515,329)	(1,043,601)
Other operating revenue	-	-	-
Net cash provided by operating activities	<u>1,719,206</u>	<u>266,647</u>	<u>476,551</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Intergovernmental revenues	-	-	225,648
Contributions	-	10,000	-
Other	45,317	5,204	34,704
Payment on advances from other funds	-	(88,224)	-
Transfers in from other funds	-	17,495	-
Transfers out to other funds	(716,741)	(21,439)	(156,232)
Net cash provided (used) by noncapital financing activities	<u>(671,424)</u>	<u>(76,964)</u>	<u>104,120</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(2,296,530)	(8,476)	(623,523)
Special assessments for future construction	1,176,806	-	-
Contributions	177,010	-	-
Proceeds from sale of capital assets	-	-	-
Principal paid on capital debt	(760,000)	-	-
Interest paid on capital debt	(359,913)	(66,668)	-
Net cash used by capital and related financing activities	<u>(2,062,627)</u>	<u>(75,144)</u>	<u>(623,523)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment earnings	<u>571,500</u>	<u>7,302</u>	<u>68,562</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(443,345)	121,841	25,710
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>22,950,351</u>	<u>483,415</u>	<u>5,880,415</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 22,507,006</u>	<u>\$ 605,256</u>	<u>\$ 5,906,125</u>

(Continued...)

		Governmental Activities - Internal Service Funds	
Totals		Totals	
2009	2008	2009	2008
\$ 18,036,856	\$ 17,037,195	\$ 8,576,409	\$ 8,210,863
(10,996,957)	(10,352,757)	(3,941,397)	(3,755,857)
(4,577,495)	(4,355,248)	(3,861,841)	(4,182,356)
-	-	183,460	-
<u>2,462,404</u>	<u>2,329,190</u>	<u>956,631</u>	<u>272,650</u>
225,648	903,438	-	-
10,000	310	9,775	16,485
85,225	123,021	35,141	5,644
(88,224)	(83,823)	-	-
17,495	10,954	937,786	2,564,348
<u>(894,412)</u>	<u>(3,845,762)</u>	<u>(145,607)</u>	<u>(206,761)</u>
<u>(644,268)</u>	<u>(2,891,862)</u>	<u>837,095</u>	<u>2,379,716</u>
(2,928,529)	(2,633,891)	(1,306,673)	(1,366,775)
1,176,806	1,885,908	-	-
177,010	612,000	95,283	2,065
-	1,610	90,412	87,204
(760,000)	(745,000)	-	-
<u>(426,581)</u>	<u>(453,556)</u>	<u>-</u>	<u>-</u>
<u>(2,761,294)</u>	<u>(1,332,929)</u>	<u>(1,120,978)</u>	<u>(1,277,506)</u>
<u>647,364</u>	<u>1,506,284</u>	<u>250,779</u>	<u>813,589</u>
(295,794)	(389,317)	923,527	2,188,449
<u>29,314,181</u>	<u>29,703,498</u>	<u>23,059,342</u>	<u>20,870,893</u>
<u>\$ 29,018,387</u>	<u>\$ 29,314,181</u>	<u>\$ 23,982,869</u>	<u>\$ 23,059,342</u>

**CITY OF PLYMOUTH, MINNESOTA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2009
 (with comparative totals for year ended December 31, 2008)**

(Continued from previous page)

	Business-type Activities - Enterprise Funds		
	Water Sewer Utility	Ice Center	Nonmajor Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (1,380,376)	\$ (137,291)	\$ (17,041)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	3,333,342	470,440	176,335
Other revenue	-	-	-
Changes in assets and liabilities:			
Accounts receivable	(163,582)	(40,786)	322,811
Special assessments receivable	74,526	-	-
Due from other funds	-	-	38,702
Due from other governments	(181)	(432)	(1)
Inventory	(20,127)	(2,619)	-
Prepaid expenses	-	-	-
Accounts payable	(29,077)	(2,992)	(43,977)
Contracts payable	-	-	-
Due to other funds	-	-	-
Due to other governments	4,851	3,489	1,610
Accrued salaries payable	(77,075)	(13,257)	(23,382)
OPEB	-	-	-
Compensated absences payable	-	-	-
Unearned revenue	(23,095)	(9,905)	21,494
Total adjustments	<u>3,099,582</u>	<u>403,938</u>	<u>493,592</u>
Net cash provided by operating activities	<u>\$ 1,719,206</u>	<u>\$ 266,647</u>	<u>\$ 476,551</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Contributions of capital assets from governmental funds	738,002	-	200,570
Contributions of capital assets from proprietary funds	28,953	-	-
Contribution of capital asset from others	399,028	-	-
Trade-in values on capital asset purchases	-	-	-
Contributions of capital assets to other City funds	-	-	-
Increase (decrease) in capital assets from accounts and contracts payable	(44,085)	-	99,275

The notes to the financial statements are an integral part of this statement.

		Governmental Activities - Internal Service Funds	
Totals		Totals	
2009	2008	2009	2008
\$ (1,534,708)	\$ (1,446,176)	\$ (319,124)	\$ (1,668,420)
3,980,117	4,007,640	1,452,876	1,330,016
-	-	-	-
118,443	(311,572)	28,119	(16,842)
74,526	(70,521)	-	-
38,702	(38,702)	-	-
(614)	(53,497)	15,651	(26,352)
(22,746)	11,452	(20,925)	57,558
-	-	(253,867)	4,540
(76,046)	127,917	(380,466)	127,700
-	-	-	-
-	-	15,000	-
9,950	313	2,343	640
(113,714)	72,336	(42,136)	32,052
-	-	204,957	196,831
-	-	256,213	234,927
(11,506)	30,000	(2,010)	-
<u>3,997,112</u>	<u>3,775,366</u>	<u>1,275,755</u>	<u>1,941,070</u>
<u>\$ 2,462,404</u>	<u>\$ 2,329,190</u>	<u>\$ 956,631</u>	<u>\$ 272,650</u>

938,572	81,011	-	-
28,953	-	-	-
399,028	343,329	6,000	-
-	-	20,000	6,800
-	-	28,952	-
55,190	256,044	130,735	(153,518)

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Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Plymouth, Minnesota (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (generally accepted accounting principles), as applied to governmental units by the Governmental Accounting Standards Board (GASB). The City's significant accounting policies are described below.

A. FINANCIAL REPORTING ENTITY

The City of Plymouth, Minnesota (the City) was formed and operates pursuant to applicable Minnesota laws and statutes. On January 1, 1993, the City adopted a home rule charter and operates under a council-manager form of government. The council is composed of a mayor, four ward council members, and two at-large council members.

As required by accounting principles generally accepted in the United States of America (generally accepted accounting principles), these financial statements present the City of Plymouth (the primary government) and its component unit. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

Discretely Presented Component Units

The component unit columns in the government-wide statements include the financial data of the City's component unit. It is reported in a separate column to emphasize that it is legally separate from the City.

The Housing and Redevelopment Authority (HRA) of Plymouth is a separate legal entity governed by a board, which is appointed by the City Council. The Council reviews and approves the HRA tax levies and budgets, and the City provides major community development financing for HRA activities. Debt issued for HRA activities are City general obligation debt issues. The HRA is established to provide housing and redevelopment assistance to the City's citizens and to carry out certain housing and redevelopment projects and programs using City employees, which enables the City to meet federal and state housing requirements. The HRA provides assistance through general taxes and administers the City's Community Development Block Grant program.

The HRA operates the Section 8 rental subsidy program as a direct recipient from the Department of Housing and Urban Development. The HRA operates Plymouth Towne Square, a 99-unit senior independent living community for moderate and low-income Plymouth citizens. In addition, the HRA operates Vicksburg Crossing, a 96-unit senior independent community of which a portion of the units are available for moderate and low-income Plymouth citizens, and the remainder are market rate. Rental subsidies are made to tenants by a portion of the HRA property tax levy.

As the City appoints the HRA commission and has the ability to hire or dismiss those persons responsible for its day-to-day operations, the HRA is considered a component unit of the City.

Separate financial statements for the HRA may be obtained from the administrative offices at city hall:

Plymouth Housing and Redevelopment Authority
3400 Plymouth Boulevard
Plymouth, Minnesota 55447

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component units.

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The government-wide Statement of Activities reflect the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, service, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separated columns in the fund financial statements. Each financial presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements' governmental column, a reconciliation is presented that briefly explains the adjustments necessary to reconcile ending net assets and the change in net assets.

In the fund financial statements, financial transactions and accounts of the City are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Major Governmental Funds – The City reports the following major governmental funds:

- *General Fund* – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. This fund records revenues such as property tax revenues, licenses and permits, fines and penalties, intergovernmental revenues, and interest earnings. Most of the current day-to-day operations of the governmental units are financed from this fund.
- *Special Revenue Funds*
 - *Transit System Fund* – Revenues from the Minnesota Vehicle Excise Tax and fares, and expenditures for the Plymouth Metrolink system are accounted for in this fund.
 - *Community Development Block Grant* – Receives and expends the City’s allocation of the Federal Community Development Block Grant Program. The primary beneficiaries from the activities of this fund are persons of low and moderate income.
- *Capital Project Fund*
 - *Improvement Projects Fund* – Used to account for expenditures incurred in the construction of certain public improvements such as residential streets, sidewalks, and storm sewers.

Major Proprietary Funds – The City reports the following major proprietary funds:

- *Water Sewer Utility Fund* – Used to account for providing water and sewer services to the City’s residents.
- *Ice Center Fund* – Used to account for the operations of the City’s ice center.

Other Funds – The City reports the following other funds:

- *Internal Service Funds* - Used to account for information technology, fleet management, public facilities, risk management, employee benefits, and other services provided to other departments of the City on a cost-reimbursement basis.

The accounting and reporting treatment applied to a fund is determined by its measurement focus.

Governmental Funds:

- *Measurement Focus* - Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Reported fund balance is considered a measure of “available spendable resources”. Governmental fund operating statements represent increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.
- *Basis of Accounting* - Governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

- *Revenues* - Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property taxes, including delinquent taxes received within 60 days after year-end to be available. Licenses and permits, fines and forfeitures, intergovernmental revenues, charges for services, and interest income are considered to be available if they are collected within 60 days. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.
- *Deferred Revenues* - Deferred revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when all revenue recognition criteria are met, the liability for deferred revenue is removed and revenue is recognized.
- *Expenditures* - Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Proprietary Funds:

- *Measurement Focus* - Proprietary funds are accounted for on a flow of economic resources measurement focus. This means that all assets, including fixed assets, and all liabilities, including long-term liabilities, associated with fund activity are included on the balance sheets. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.
- *Basis of Accounting* - Proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded at the time liabilities are incurred. Unbilled utility service receivables are recorded at year-end. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

- *Operating versus Nonoperating Items* - Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenue of the City’s enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments of other charges between the City's water sewer utility function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported from the various functions concerned.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. ASSETS, LIABILITIES, AND NET ASSETS, OR EQUITY

1. *Cash and Investments*

Deposits and Investments

The cash balances of the City and its component unit funds are pooled and invested for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value at year end, based on market prices. The City has the ability and intent to hold its investments to maturity. The individual funds' portions of the pool's fair value are presented as "Cash and investments". Earnings from such investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund.

Cash and Cash Equivalents

The City considers cash and cash equivalents in proprietary funds to be cash on hand and demand deposits. In addition, because the pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

2. *Receivables and Payables*

During the course of operations, transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet and are short-term in nature.

Advances to other funds and advances from other funds are considered long-term receivables/payables. The noncurrent portions of advances from other funds in the governmental funds statements are offset equally by a fund balance reserve account which indicates that they do not constitute expendable, available financial resources, and therefore, are not available for appropriation.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

The City Council annually adopts a tax levy and certifies it to the County in December (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the City, the local School District, and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City. The City has no ability to enforce payment of property taxes by property owners. The County possesses this authority. The County spreads all levies over taxable property

Within the fund financial statements, property taxes are accrued and recognized as revenue, excluding delinquent taxes received over 60 days after year-end. Taxes that remain unpaid are classified as delinquent taxes receivable and are fully offset by deferred revenue, because they are not known to be available to finance current expenditures. An allowance for abated taxes has been recorded as a reduction in property tax revenue and deferred revenue. Deferred revenue in governmental activities is susceptible to full accrual on the government-wide statements. Real property taxes may be paid by taxpayers in two equal installments, on May 15 and October 15. Personal property taxes may be paid on May 15. The county provides tax settlements to cities and other taxing districts four times a year, in June, July, December, and January of the following year.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Special Assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with Minnesota Statutes. These assessments are collectible by the City over a term of years. Collection of annual installments (including interest) is handled by the County Auditor in the same manner as property taxes. Property owners are allowed to prepay future installments without interest or prepayment penalties.

Special assessment principal installments are recognized as revenue when they become measurable and available. Special assessment interest revenues are recognized when due, net of delinquencies. Deferred revenue in governmental activities is susceptible to full accrual on the government-wide statements.

Trade receivables include amounts billed for services provided before year end. Unbilled utility enterprise fund receivables account for the majority of these receivables. The City annually certifies delinquent water and sewer accounts to the County for collection in the following year. Therefore, there has been no allowance for doubtful accounts established.

The City and the HRA, in efforts to further develop the community, lend funds to certain developers for specific projects and to homeowners for first-time home buyer purchases as notes receivable. The disbursement under the notes are recorded as current expenditures. The note receivable is also recorded with a corresponding deferred revenue amount. As the notes are repaid, the repayments are recorded as current revenue, and the notes receivable and deferred revenue amounts are reduced accordingly. Deferred revenue in governmental activities is susceptible to full accrual on the government-wide statements.

3. Inventories and Prepaid Items

Inventory is valued at the lower of average cost or market based on physical counts. The cost of inventory is recorded as an expense when consumed (i.e., consumption method) in the Governmental Fund types.

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

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back-trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property, plant, and equipment of the primary government, as well as the component unit, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings & components	5 - 50
Land improvements	10 - 25
Streets, trails & bridges	15 - 50
Water & sewer system infrastructure	20 - 100
Vehicles	2 - 20
Office equipment	5 - 20
Computer equipment	5

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

5. *Compensated Absences*

The City compensates all employees upon termination for unused vacation and extended illness up to a maximum based upon length of service. Such pay is reflected as a liability in the government-wide financial statement and is accrued as an expense as it is earned in an internal service fund.

Employees accrue sick leave at varying rates based upon length of service. They are entitled to draw upon any unused sick leave. Employees are not compensated for unused sick leave upon termination. Sick leave is expended/expensed as it is paid from all funds.

6. *Long-Term Obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

7. *Interfund Activity*

Interfund services provided and used are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

8. *Fund Equity*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

9. Use of Estimates

The preparation of financial statements, in accordance with accounting principles generally accepted in the United States of America, requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

10. Comparative Data/Reclassifications

Comparative total information for the prior year has been presented only for the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year date have been reclassified in order to be consistent with the current year's presentation.

11. Net Assets

Net assets represent the difference between assets and liabilities. Net assets are displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets.
- b. Restricted net assets – Consists of net assets restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted”.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETS AND BUDGETARY ACCOUNTING

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General and certain Special Revenue Funds.

Budgeted amounts are as originally adopted, or as amended by the City Council. Individual amendments were not material in relation to the original appropriations which were amended. All budgetary amendments and transfers require approval of the City Council. Budgeted expenditure appropriations lapse at year-end.

Encumbrance accounting is employed in Governmental Funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Legal Compliance – Budgets

The City follows the procedures below in establishing the budgetary data reflected in the enclosed financial statements:

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is held to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution.
4. The City Council may authorize transfers of budgeted amounts between city funds.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2009

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY – CONTINUED

5. The City legally adopts budgets and formal budgetary integration is employed as a management control device during the year for the General Fund and certain Special Revenue Funds (Recreation Fund, Community Development Block Grant Fund, and Transit System Fund).

Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through bond indenture provisions, or for Capital Projects Funds because budgetary control is alternatively achieved through the use of project controls.

6. The legal level of budgetary control is at the fund level. Monitoring of budgets is maintained at the expenditure category level (i.e., salaries, wages, and benefits; material, supplies, and services; capital outlay) within each activity. This means that General Fund and certain Special Revenue Fund individual line items may overspend budgeted amounts without council approval as long as the actual fund expenditures do not exceed the total fund budget.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

There were no funds with excess expenditures over appropriations for the year ended December 31, 2009.

C. DEFICIT FUND EQUITY

The following fund had a deficit fund balance as of December 31, 2009. The 2007 Open Space fund deficit will be eliminated through transfers in 2010. Vicksburg Crossing’s deficit will be eliminated as the occupancy rate increases.

<u>Fund</u>	<u>Fund Balance</u>
2007 Open Space Capital Project Fund	\$ (502)
Component Unit - Vicksburg Crossing	(491,685)

Note 3: CASH AND INVESTMENTS

A. COMPONENTS OF CASH AND INVESTMENTS

Cash and investments at year-end consist of the following:

	Primary <u>Government</u>	Component <u>Unit</u>	<u>Total</u>
Deposits	\$ (737,720)	\$ 290,353	\$ (447,367)
Investments	116,530,061	3,887,434	120,417,495
Cash on hand	<u>4,690</u>	<u>600</u>	<u>5,290</u>
Total	<u>\$ 115,797,031</u>	<u>\$ 4,178,387</u>	<u>\$ 119,975,418</u>

Cash and investments are presented in the financial statements as follows:

Cash and investments - Statement of Net Assets	<u>\$ 115,797,031</u>	<u>\$ 4,178,387</u>	<u>\$ 119,975,418</u>
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Note 3: CASH AND INVESTMENTS – CONTINUED

B. DEPOSITS

In accordance with applicable Minnesota Statutes, the City and its component unit maintain deposits at depository banks authorized by the City Council, including checking and savings accounts.

The following is considered the most significant risk associated with deposits:

Custodial credit risk – In the case of deposits, this is the risk that in the event of a bank failure, the deposits may be lost.

Minnesota Statutes require that all city deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated “A” or better; revenue obligations rated “AA” or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The City has no additional deposit policies addressing custodial credit risk for deposits.

At year-end, the carrying amount of the City’s deposits was (\$737,720) while the balance on the bank records was \$115,322. The carrying amount of the component unit’s deposits was \$290,353 while the balance on the bank records was \$298,648. At December 31, 2009, all deposits were fully covered by federal depository insurance or by collateral held by the City’s agent in the City’s name.

C. INVESTMENTS

The City is authorized by Minnesota Statutes Chapter 118A, and the City’s investment policy, to invest in the following:

1. Bonds, notes, bills, mortgages (excluding high-risk mortgage-backed securities), and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by Congress.
2. State and local securities that consist of the following:
 - any security which is a general obligation of any state or local government with taxing powers which is rated “A” or better by a national bond rating agency;
 - any security which is a revenue obligation of any state or local government with taxing powers which is rated “AA” or better by a national bond rating agency; or
3. Commercial paper, with a maturity of 270 days or less, issued by United States corporations or their Canadian subsidiaries that is rated highest tier by at least two nationally recognized rating agencies, and is not rated less than highest tier by any nationally recognized rating agency.
4. Repurchase agreements with qualified institutions backed by collateral consisting of the foregoing.
5. Securities lending agreements with qualified financial institutions.
6. Banker’s acceptances of United States banks that are eligible for purchase by the Federal Reserve System.
7. Money market mutual funds meeting the conditions of rule 2a-7 of the Securities and Exchange Commission and is rated in one of the two highest rating categories for money market funds by at least one nationally recognized rating organization.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2009

Note 3: CASH AND INVESTMENTS – CONTINUED

The City and its component unit have the following cash and investment balances at year end:

Investment Type	Interest Risk - Maturity in Years		Total
	Less than 1	1 to 5	
US Agency Securities:			
Federal Farm Credit Bank	\$ 1,024,060	\$ -	\$ 1,024,060
Federal Home Loan Bank	1,001,560	20,707,970	21,709,530
Federal Home Loan Mortgage Corporation	-	2,011,180	2,011,180
Federal National Mortgage Association	-	6,025,930	6,025,930
Repurchase Agreement	4,742,674	-	4,742,674
Money Market Mutual Fund	84,904,121	-	84,904,121
Total investments	<u>\$ 91,672,415</u>	<u>\$ 28,745,080</u>	120,417,495
Deposits			(447,367)
Change funds			5,290
Cash and investments			<u>\$ 119,975,418</u>

The investments are potentially subject to various risks, the following of which are considered the most significant:

Custodial credit risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City’s investment policy addresses this risk by requiring that securities be held by a third-party custodian.

Credit risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. This risk is addressed by confining investments to those securities specifically authorized by state statute and the City’s investment policy. It is the City’s policy to limit its investments in the authorized investment types to those rated in the top rating tiers issued by nationally recognized statistical rating organizations. As of December 31, 2009, the City’s investments in US government securities and US agency securities were rated AAA by Standard & Poor’s and/or Moody’s Investors Service. The City’s money market mutual fund investments were rated AAAM by Standard & Poor’s and Aaa by Moody’s Investors Service. Repurchase agreements were backed by collateral of which 66.76% was rated Aaa, 2.5% rated Aa2, 17.68% rated Aa3 and 13.06% rated AA3 by Moody’s Investors Service.

Concentration risk – This is the risk associated with investing a significant portion of the City’s investments (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as Treasuries), investment pools, and mutual funds. It is the City’s policy to limit its investment in commercial paper to no more than 20% of the total portfolio. The City’s holdings at year end fully complied with this requirement. At year end, the City’s investments in two U.S. Agency issuers did exceed 5% of the total portfolio. These issuers were the Federal Home Loan Bank and Federal National Mortgage Association. These issuers have an implicit guarantee from the federal government but are not backed by the full faith and credit of the federal government.

Interest rate risk – This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The City does have an investment policy which requires diversification in terms of maturity and limits the maximum maturity of an investment to 15 years. At year end, the City had 76.13% of investments with a maturity date within one year and 23.87% with a maturity date between one and five years.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2009

Note 4: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 was as follows:

	Beginning Balance	Additions	Decreases	Ending Balance
<u>Primary government:</u>				
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 24,964,533	\$ 2,874,928	\$ -	\$ 27,839,461
Construction in progress	21,066,269	4,146,288	(8,789,581)	16,422,976
Total capital assets, not being depreciated	<u>46,030,802</u>	<u>7,021,216</u>	<u>(8,789,581)</u>	<u>44,262,437</u>
Capital assets, being depreciated				
Infrastructure	206,772,587	6,874,973	-	213,647,560
Buildings	39,469,541	256,376	(165,330)	39,560,587
Improvements other than buildings	15,524,711	763,697	-	16,288,408
Machinery and equipment	26,875,558	1,463,539	(817,371)	27,521,726
Total capital assets, being depreciated	<u>288,642,397</u>	<u>9,358,585</u>	<u>(982,701)</u>	<u>297,018,281</u>
(Less) Accumulated depreciation for:				
Infrastructure	(130,523,869)	(6,131,136)	-	(136,655,005)
Buildings	(9,625,131)	(1,202,924)	14,685	(10,813,370)
Improvements other than buildings	(6,764,729)	(794,576)	-	(7,559,305)
Machinery and equipment	(13,655,062)	(1,966,418)	770,213	(14,851,267)
Total accumulated depreciation	<u>(160,568,791)</u>	<u>(10,095,054)</u>	<u>784,898</u>	<u>(169,878,947)</u>
Total capital assets, being depreciated, net	<u>128,073,606</u>	<u>(736,469)</u>	<u>(197,803)</u>	<u>127,139,334</u>
Governmental activities capital assets, net	<u>\$ 174,104,408</u>	<u>\$ 6,284,747</u>	<u>\$ (8,987,384)</u>	<u>\$ 171,401,771</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 3,199,264	\$ -	\$ -	\$ 3,199,264
Construction in progress	4,286,725	2,938,144	(1,338,481)	5,886,388
Total capital assets, not being depreciated	<u>7,485,989</u>	<u>2,938,144</u>	<u>(1,338,481)</u>	<u>9,085,652</u>
Capital assets, being depreciated				
Infrastructure	71,721,892	2,525,839	-	74,247,731
Buildings	51,786,252	28,953	-	51,815,205
Improvements other than buildings	2,837,731	115,493	-	2,953,224
Machinery and equipment	12,263,222	80,324	-	12,343,546
Total capital assets, being depreciated	<u>138,609,097</u>	<u>2,750,609</u>	<u>-</u>	<u>141,359,706</u>
(Less) Accumulated depreciation for:				
Infrastructure	(24,684,697)	(1,375,458)	-	(26,060,155)
Buildings	(14,338,939)	(1,532,728)	-	(15,871,667)
Improvements other than buildings	(830,461)	(158,464)	-	(988,925)
Machinery and equipment	(4,854,432)	(913,467)	-	(5,767,899)
Total accumulated depreciation	<u>(44,708,529)</u>	<u>(3,980,117)</u>	<u>-</u>	<u>(48,688,646)</u>
Total capital assets, being depreciated, net	<u>93,900,568</u>	<u>(1,229,508)</u>	<u>-</u>	<u>92,671,060</u>
Business-type activities capital assets, net	<u>\$ 101,386,557</u>	<u>\$ 1,708,636</u>	<u>\$ (1,338,481)</u>	<u>\$ 101,756,712</u>

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2009

Note 4: CAPITAL ASSETS – CONTINUED

	Beginning Balance	Additions	Decreases	Ending Balance
<u>Component unit:</u>				
Business-type activities				
Capital assets, not being depreciated				
Land	1,333,840	-	-	1,333,840
Total capital assets, not being depreciated	<u>1,333,840</u>	<u>-</u>	<u>-</u>	<u>1,333,840</u>
Capital assets, being depreciated				
Buildings	15,094,825	-	-	15,094,825
Improvements other than buildings	350,183	-	-	350,183
Machinery and equipment	607,941	11,038	(6,515)	612,464
Total capital assets, being depreciated	<u>16,052,949</u>	<u>11,038</u>	<u>(6,515)</u>	<u>16,057,472</u>
(Less) Accumulated depreciation for:				
Buildings	(2,797,160)	(508,552)		(3,305,712)
Improvements other than buildings	(77,274)	(15,411)		(92,685)
Machinery and equipment	(280,766)	(42,106)	1,520	(321,352)
Total accumulated depreciation	<u>(3,155,200)</u>	<u>(566,069)</u>	<u>1,520</u>	<u>(3,719,749)</u>
Total capital assets, being depreciated, net	<u>12,897,749</u>	<u>(555,031)</u>	<u>(4,995)</u>	<u>12,337,723</u>
Total capital assets, net	<u>\$ 14,231,589</u>	<u>\$ (555,031)</u>	<u>\$ (4,995)</u>	<u>\$ 13,671,563</u>

Primary government:

	<u>Amount</u>
Depreciation expense was charged to governmental functions as follows:	
General Government	\$ 222,553
Parks and Recreation	1,406,307
Public Safety	505,418
Public Works	6,357,004
Public Service	150,896
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>1,452,876</u>
Total depreciation expense - governmental activities	<u>\$ 10,095,054</u>

Depreciation expense was charged to business-type functions as follows:

Water Sewer Utility	\$ 3,333,342
Ice Center	470,440
Water Resources	78,307
Field House	98,028
Total depreciation expense - business-type activities	<u>\$ 3,980,117</u>

Component unit:

Depreciation expense was charged to business-type functions as follows:

Plymouth Towne Square	\$ 197,397
Vicksburg Crossing	368,672
Total depreciation expense - component unit activities	<u>\$ 566,069</u>

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2009

Note 4: CAPITAL ASSETS – CONTINUED

Construction commitments

The City has active construction projects at year end. The projects include street improvements, construction of City capital assets, water and sewer facilities, and park and recreation facilities. At year end the commitments are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
<u>Primary Government</u>		
Park improvement	\$ 1,474	\$ -
Residential streets	227,785	-
Water resources management	-	298,241
Water and sewer utility expansion	-	102,841
Total	<u>\$ 229,259</u>	<u>\$ 401,082</u>

Note 5: LONG-TERM DEBT

A. GENERAL OBLIGATION BONDS

Primary government

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities.

Component unit

The HRA issues general obligation bonds to provide funds for the acquisition and construction of capital facilities.

B. GENERAL OBLIGATION WATER REVENUE BONDS

General Obligation Revenue Bonds

The City issues bonds that are general obligations of the City for which the City pledges its full faith and credit and power to levy taxes. In addition, the City pledges net revenues of its water utility.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2009

Note 5: LONG-TERM DEBT - CONTINUED

C. OBLIGATIONS OUTSTANDING

Long-term obligations outstanding at December 31, 2009 are summarized as follows:

<u>Primary government</u>	<u>Interest Rates (%)</u>	<u>Payment Dates</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Authorized and Issued</u>	<u>Amount Retired</u>	<u>Debt Outstanding</u>
Governmental activities:							
GENERAL OBLIGATION BONDS:							
Activity Center and Field House							
Bonds - 1998C	3.40-4.375	2/01 8/01	12/1/98	2/1/14	\$ 4,500,000	\$ 2,695,000	\$ 1,805,000
Street Reconstruction Bonds - 2003B	2.00-3.50	2/01 8/01	5/27/03	2/1/14	1,465,000	690,000	775,000
Open Space Refunding Bonds - 2003D	2.25-3.05	2/01 8/01	11/25/03	2/1/11	1,355,000	855,000	500,000
Capital Improvement Bonds - 2004A	3.00-4.75	2/01 8/01	9/9/04	2/1/25	7,480,000	980,000	6,500,000
Open Space Bonds - 2007A	3.75-3.90	2/01 8/01	11/15/07	2/1/24	2,715,000	-	2,715,000
Activity Center and Field House							
Refunding Bonds - 2009B	3.00	2/01 8/01	11/24/09	2/1/14	1,445,000	-	1,445,000
Total general obligation					<u>18,960,000</u>	<u>5,220,000</u>	<u>13,740,000</u>
GENERAL OBLIGATION BONDS - TAX INCREMENT:							
Tax Increment Bonds - 1998A	4.15-4.65	2/01 8/01	10/1/98	2/1/23	2,900,000	335,000	2,565,000
Tax Increment Bonds - 2005A	2.80-4.25	2/01 8/01	4/1/05	2/1/23	1,370,000	55,000	1,315,000
Tax Increment Refunding Bonds - 2009A	3.00-3.50	2/01 8/01	11/24/09	2/1/23	2,490,000	-	2,490,000
Total tax increment obligation					<u>6,760,000</u>	<u>390,000</u>	<u>6,370,000</u>
SPECIAL ASSESSMENT BONDS:							
Housing Improvement Bonds - 1998B							
General Obligation Improvement Bonds - 2003C	2.25-2.75	2/01 8/01	11/25/03	2/1/10	2,895,000	2,365,000	530,000
Total special assessment					<u>3,925,000</u>	<u>2,945,000</u>	<u>980,000</u>
Total governmental activities					<u>31,000,000</u>	<u>9,410,000</u>	<u>21,090,000</u>
Business-type activities:							
General Obligation Water Revenue							
Bonds - 2004B	3.00-4.00	2/01 8/01	12/8/04	2/1/19	13,140,000	3,995,000	9,145,000
Total primary government bonds payable					<u>\$ 44,140,000</u>	<u>\$ 13,405,000</u>	<u>\$ 30,235,000</u>
<u>Component unit</u>							
Business-type activities:							
Governmental Housing Project							
Refunding Bonds - 2003	1.75-4.50	04/01 10/01	2/20/03	10/1/23	\$ 4,860,000	\$ 1,170,000	\$ 3,690,000
Governmental Housing Project							
Housing Bonds - 2005	3.75-5.00	2/01 8/01	5/1/05	2/1/35	10,650,000	125,000	10,525,000
Total component unit bonds payable					<u>\$ 15,510,000</u>	<u>\$ 1,295,000</u>	<u>\$ 14,215,000</u>

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2009

Note 5: LONG-TERM DEBT – CONTINUED

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

Year Ending December 31	Primary Government Governmental Activities		Primary Government Business-type Activities		Component Unit Business-type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
	2010	\$ 5,870,000	\$ 671,087	\$ 785,000	\$ 335,756	\$ 340,000
2011	1,445,000	566,617	805,000	308,913	355,000	613,745
2012	1,265,000	519,595	830,000	280,300	380,000	600,669
2013	1,315,000	473,164	860,000	250,188	410,000	586,220
2014	1,375,000	424,395	890,000	216,800	435,000	570,095
2015 - 2019	4,230,000	1,607,963	4,975,000	512,900	2,550,000	2,566,805
2020 - 2024	5,025,000	648,386	-	-	3,040,000	1,948,591
2025 - 2029	565,000	13,419	-	-	2,420,000	1,344,250
2030 - 2034	-	-	-	-	3,445,000	662,375
2035	-	-	-	-	840,000	21,000
	<u>\$ 21,090,000</u>	<u>\$ 4,924,626</u>	<u>\$ 9,145,000</u>	<u>\$ 1,904,857</u>	<u>\$ 14,215,000</u>	<u>\$ 9,539,232</u>

D. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2009 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts due within one year
<u>Primary government:</u>					
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 13,270,000	\$ 1,445,000	\$ 975,000	\$ 13,740,000	\$ 2,620,000
General obligation bonds - tax increment	4,000,000	2,490,000	120,000	6,370,000	2,640,000
Special assessment bonds	1,575,000	-	595,000	980,000	610,000
Deferred amounts:					
Issuance premiums (discounts)	68,884	69,497	4,882	133,499	16,740
Total bonds payable	18,913,884	4,004,497	1,694,882	21,223,499	5,886,740
OPEB liability	196,831	204,957	-	401,788	-
Compensated absences	2,055,665	1,880,415	1,624,202	2,311,878	1,624,202
Governmental activity					
Long-term liabilities	21,166,380	6,089,869	3,319,084	23,937,165	7,510,942
Business-type activities:					
Bonds payable:					
General obligation water revenue bonds	9,905,000	-	760,000	9,145,000	785,000
Deferred amounts:					
Issuance discounts	(20,163)	-	(2,000)	(18,163)	(2,000)
Business-type activity					
Long-term liabilities	9,884,837	-	758,000	9,126,837	783,000
Primary government					
Long-term liabilities	\$ 31,051,217	\$ 6,089,869	\$ 4,077,084	\$ 33,064,002	\$ 8,293,942
<u>Component unit:</u>					
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 10,650,000	\$ -	\$ 125,000	\$ 10,525,000	\$ 140,000
General obligation bonds - refunding	3,880,000	-	190,000	3,690,000	200,000
Deferred amounts:					
Issuance discounts	(69,473)	-	(3,732)	(65,741)	(3,732)
Total bonds payable	\$ 14,460,527	\$ -	\$ 311,268	\$ 14,149,259	\$ 336,268

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2009

Note 5: LONG-TERM DEBT – CONTINUED

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, compensated absences, which are reported in the internal service funds, are included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the general fund.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. If special assessments are not adequate to retire outstanding debt, the City’s full faith and credit are pledged for their redemption.

On November 24, 2009, the City issued two refunding bonds:

Tax Increment Refunding series 2009A, with an average interest rate of 3.41%, will refund the Tax Increment series 1998A with an average interest rate of 4.49%. The retirement of the 1998A series will occur on February 1, 2010. The refunding will result in a \$225,177 gross debt service savings over the next 13 years, and an economic gain of \$182,712.

Activity Center and Field House Refunding series 2009B, with an average interest rate of 3.0%, will refund the Activity Center and Field House series 1998C with an average interest rate of 4.01%. The retirement of the 1998C series will occur on February 1, 2010. The refunding will result in a \$67,715 gross debt service savings over the next 5 years, and an economic gain of \$64,043.

There are a number of financial limitations and restrictions contained in the various bond indentures. At December 31, 2009, the City is in compliance with all significant financial limitations and restrictions, and has no federal arbitrage payable. There are no authorized and unissued bonds.

Note 6: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2009, is as follows:

Due from other funds and due to other funds are short-term receivables/payables within the financial statements and are due to short-term cash deficits.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Internal Service - Employee Benefits	\$ 30,000
Nonmajor Governmental	Nonmajor Governmental	253,837
		<u>\$ 283,837</u>

Advances to other funds and advances from other funds represent interfund borrowing to provide interim financing for construction projects or other purposes. Such loans bear interest at the rate of 5.25% to 6.0%.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Improvement Project Construction	Nonmajor Governmental	448,379
Nonmajor Governmental	Ice Center	1,181,648
		<u>\$ 1,630,027</u>

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2009

Note 6: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS – CONTINUED

The purpose of the transfers are to provide funding for capital improvement projects and capital outlay, provide funding for operating purposes, return unused funds, and other miscellaneous items.

Transfer Out:	Transfer In:		
	General	Improvement Projects	Nonmajor Governmental Funds
General	\$ -	\$ -	\$ 807,481
Transit System	17,911	-	-
CDBG	-	-	-
Improvement Projects	-	-	733,060
Nonmajor Governmental Funds	-	2,118,037	4,030,906
Water Sewer Utility	136,210	455,500	-
Ice Center	11,939	-	-
Nonmajor Enterprise Funds	39,141	-	85,077
Internal Service Funds	2,000	17,003	51,000
Total	\$ 207,201	\$ 2,590,540	\$ 5,707,524

Transfer Out:	Transfer In:			
	Water Sewer Utility	Ice Center	Internal Service Funds	Total
General	\$ -	\$ -	\$ 699,202	\$ 1,506,683
Transit System	-	-	4,275	22,186
CDBG	-	-	1,652	1,652
Improvement Projects	-	-	-	733,060
Nonmajor Governmental Funds	-	-	36,955	6,185,899
Water Sewer Utility	-	-	125,031	716,741
Ice Center	-	-	9,500	21,439
Nonmajor Enterprise Funds	-	-	32,014	156,232
Internal Service Funds	28,953	17,495	29,156	145,607
Total Transfers	\$ 28,953	\$ 17,495	\$ 937,786	\$ 9,489,499

Note 7: CONTINGENCIES

General Litigation

In the opinion of management, there are no potential claims against the City which would materially affect the financial statements of the City.

Tax Increment Districts

The City's tax increment districts are subject to review by the Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

Conduit Debt Obligations

From time to time the City has issued Industrial Revenue, Housing Revenue, and Health Facilities Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial, commercial, housing, and health facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2009, there were 29 series of Industrial Revenue, Housing Revenue, and Health Revenue Bonds outstanding with an aggregate principal amount payable of approximately \$99.9 million.

Note 8: RISK MANAGEMENT

The City is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In prior years, the City was unable to obtain general liability insurance at a cost it considered to be economically justifiable. As such, the City joined together with other cities throughout Minnesota to form the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool currently operating as a common risk management and insurance program for member cities.

The City pays an annual premium to the LMCIT for its insurance coverage. The LMCIT is self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of reserved amounts for each insured event. The LMCIT allows for the pool to make additional assessments to make the pool self-sustaining. Current state statutes (Minnesota Statutes subd. 466.04) provide limits of liability for the City. These limits are that the combination of defense expense and indemnification expense shall not exceed \$400,000 in the case of one claimant or \$1,200,000 for any number of claims arising out of a single occurrence.

The City has established an Internal Service Fund, called the Risk Management Fund, to account for the self-insurance programs. Fund revenues are primarily charges to other funds and interest earnings.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Settlements have not exceeded coverages for each of the past three fiscal years.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2009

Note 8: RISK MANAGEMENT – CONTINUED

Changes in the balances of claims liabilities during the past two years ended December 31 are as follows:

	<u>2008</u>	<u>2009</u>
Liability at beginning of year	\$ 463,203	\$ 720,583
Incurred claims and changes in estimates	511,966	152,625
Claims paid	<u>(254,586)</u>	<u>(422,109)</u>
Liability at end of year	<u>\$ 720,583</u>	<u>\$ 451,099</u>

Note 9: RETIREMENT PLANS

DEFINED BENEFIT PENSION PLANS – STATEWIDE

A. Plan Description

All full-time and certain part-time employees of the City are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the Public Employees Retirement Fund (PERF), and the Public Employees Police and Fire Fund (PEPFF), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

All PERF members belong to the Coordinated Plan. Plan members are covered by Social Security. All police officers, firefighters, and peace officers who qualify for membership by statute are covered by the PEPFF.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute, and vest after three years of credited service. The defined retirement benefits are based on a member’s highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for PERF’s Coordinated Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate is 1.2% of average salary for each of the first 10 years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 1.7% for each year of service. For PEPFF members, the annuity accrual rate is 3.0% for each year of service. The annuity accrual rate is 1.9% for each year of service for PECF members. For all PEPFF members and PERF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 55 for PEPFF members and 65 for Coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced social security benefits capped at age 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree - no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

Note 9: RETIREMENT PLANS – CONTINUED

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not yet receiving them are bound by the provisions in effect at the time they last terminated their public service.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for PERF and PEPFF. That report may be obtained on the internet at www.mnpera.org, by writing PERA at 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088, or by calling (651) 296-7460 or 1-800-652-9026.

B. Funding Policy

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. PERF Coordinated Plan members were required to contribute 6.0% of their annual covered salary in 2009. PEPFF members were required to contribute 9.4% of their annual covered salary in 2009. The City of Plymouth is required to contribute the following percentages of annual covered payroll: 6.75% for Coordinated Plan PERF members and 14.1% for PEPFF members. The employer rate for the Coordinated Plan will increase to 7.0% effective January 1, 2010. The City's contributions to the Public Employees Retirement Fund for the years ended December 31, 2009, 2008, and 2007 were \$849,561, \$798,696, and \$755,279, respectively. The City's contributions to the Public Employees Police & Fire Fund for the years ended December 31, 2009, 2008, and 2007 were \$840,597, \$715,528, and \$598,187, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

DEFINED CONTRIBUTION PLAN – STATEWIDE

Seven council members of the City of Plymouth are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by the Public Employees Retirement Association of Minnesota (PERA). The PEDCP is a tax qualified plan under Section 401 (a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percentage of salary. Employer contributions for volunteer personnel must be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of the employer contributions and twenty-five hundredths of one percent of the assets in each member's account annually.

The City's contribution to the Public Employees Defined Contribution Plan for the year ended December 31, 2009 was \$3,236; an amount identical to the employee contribution. The percentage of covered payroll from employee and employer was 5.0% which is the same as the required rate.

Note 9: RETIREMENT PLANS – CONTINUED

PLYMOUTH FIREFIGHTERS’ RELIEF ASSOCIATION RETIREMENT PLAN - SINGLE EMPLOYER

A. Plan Description

The volunteer firefighters of the City of Plymouth are members of the Plymouth Firefighters’ Relief Association. The Plymouth Firefighters’ Relief Association (Association) is the administrator of a single employer defined benefit pension plan established to provide benefits for members of the Plymouth Fire Department. The plan is established and administered in accordance with Minnesota Statutes, Chapter 69.

The Association provides retirement benefits and disability benefits to members as well as benefits to survivors upon death of eligible members. Benefits are established in accordance with state statute and vest after ten years of credited service. The defined retirement benefits are based on a member’s years of service. Benefit provisions can be amended by the Association within the parameters provided by state statutes.

The Association issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Plymouth Firefighters’ Relief Association, P.O. Box 47101, 3400 Plymouth Blvd., Plymouth MN 55447.

B. Funding Policy

Minnesota Statutes Chapter 69.772 sets the minimum contribution requirement for the City of Plymouth and state aid on an annual basis. These statutes are established and amended by the state legislature. The City passes through state aid allocated to the plan in accordance with state statutes. The amount shown as contributions of state aid, \$306,859, is recognized as revenue and expense during the year. The Association is comprised of volunteers; therefore, there are no payroll expenditures or covered payroll percentage calculations. The City’s annual pension cost for the current year and related information for the plan is as follows:

Annual contribution requirement	\$306,859
Contributions made:	
City	--
State aid	\$306,859
Actuarial valuation date	12/31/09
Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Remaining amortization period:	
Normal cost	20 years
Prior service cost	10 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	5%
Projected salary increases	N/A
Inflation rate	N/A
Cost of living adjustments	None

Note 9: RETIREMENT PLANS – CONTINUED

C. Annual Pension Cost and Net Pension Obligation

Three-year trend information for the Association is as follows:

<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/09	306,859	100%	--
12/31/08	362,197	100%	--
12/31/07	425,827	100%	--

D. Required Supplementary Information

The date of the latest available actuarial valuation is January 1, 2009. An actuarial valuation was not performed in 2007, so the actuarial accrued liability was estimated at 5% over the previous year. There are no payroll earnings for volunteer firefighters subject to pension funding requirements.

Trend Information:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Assets in Excess of/ (Unfunded) Accrued Liability</u>	<u>Funded Ratio</u>	<u>Pension Benefit Per Year of Service</u>
1/1/2009	5,586,731	5,285,794	300,937	105.7%	7,500
1/1/2008	4,783,514	5,454,665	(671,151)	87.7%	7,500
1/1/2007	6,462,490	5,371,340	1,091,150	120.3%	7,000

Note 10: POSTEMPLOYMENT HEALTHCARE PLAN BENEFITS

A. Plan Description

The City administers a single-employer defined benefit healthcare plan. The City provides medical insurance to eligible retired city employees and beneficiaries through the City’s group health insurance plan, which covers both active and retired employees. Benefit provisions are established through Minnesota Statutes 471.61 and 299A.465, which require public sector employers to provide eligible retirees and beneficiaries continuation in the group health insurance plan at the group plan premium rate. The plan does not issue a publicly available financial report.

B. Funding Policy

The contribution requirements of plan members and the City are established by State Statutes and the City Council. Eligible retired city employees and beneficiaries contribute 100% of the group health insurance plan premium. For fiscal year 2009, the City contributed \$77,218.

C. Annual OPEB Cost and Net OPEB Obligation

The City’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2009

Note 10: POSTEMPLOYMENT HEALTHCARE PLAN BENEFITS – CONTINUED

The following table shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City’s net OPEB obligation to the plan:

Annual Required Contribution	\$ 285,139
Interest on Net OPEB Obligation	8,857
Adjustment to Annual Required Contribution	<u>(11,821)</u>
Annual OPEB Cost	282,175
Contributions made	<u>(77,218)</u>
Increase in Net OPEB Obligation	204,957
Net OPEB Obligation beginning of year	<u>196,831</u>
Net OPEB Obligation end of year	<u><u>\$ 401,788</u></u>

The City’s annual OPEB cost, contribution, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended December 31:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$282,175	\$77,218	27.4%	\$401,788
2008	\$293,078	\$96,247	32.8%	\$196,831

D. Funding Status and Funding Progress

As of January 1, 2009, the actuarial accrued liability for benefits was \$2,346,338 all of which was unfunded and represents the implicit rate subsidies for eligible retirees and beneficiaries. The covered payroll (annual payroll of active employees covered by the plan) was \$16,589,598, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 14.1%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of funding Progress, presented as required supplementary information following the notes to basic financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumptions

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

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2009

Note 10: POSTEMPLOYMENT HEALTHCARE PLAN BENEFITS – CONTINUED

For the January 1, 2009 actuarial valuation, the projected unit credit with thirty year amortization of the unfunded liability method was used. The actuarial assumptions included a 4.5% investment rate of return and an annual healthcare cost trend rate of 9.0% initially, reduced to an ultimate rate of 5.0% in eight years. The UAAL is being amortized on a level dollar basis over a closed period. The remaining amortization period at December 31, 2009 was 29 years.

The following actuarial assumptions were included:

Retirement age of active employees – Based on the retirement rates used in the PERA plan of which the employee is a participant and is adjusted for OPEB purposes.

Marital Status – Marital status of plan members at the calculation date was assumed to continue throughout retirement at a assumed factor of 85% for males and 65% for females.

Mortality – Life expectancies were based on the RP2000 mortality tables from the Society of Actuaries.

F. Plan Members

The following summarizes the participant data at January 1, 2009, the date of the latest actuarial valuation:

Active participants	251
Participants/surviving Spouses receiving benefits	17
Spouses of Retired Participants receiving benefit	<u>5</u>
Total participants	<u>273</u>

Note 11: RECEIVABLES

Receivables not expected to be collected within one year are notes receivable of \$1,738,028, interest on notes receivable of \$78,736 and deferred special assessments receivable of \$4,379,124.

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CITY OF PLYMOUTH, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2009

Other Postemployment Benefits Plan
Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Accrued Liability</u>	<u>Actuarial Value of Plan Assets</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Liability as a Percentage of Payroll</u>
January 1, 2009	\$ 2,346,338	\$ -	\$ 2,346,338	0.0%	\$ 16,589,598	14.1%
January 1, 2007	2,379,815	-	2,379,815	0.0%	15,896,470	15.0%

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**CITY OF PLYMOUTH, MINNESOTA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2009
(with comparative totals for December 31, 2008)**

	Special Revenue	Debt Service	Capital Project	Permanent Fund	Totals	
					2009	2008
ASSETS						
Cash and investments	\$ 907,164	\$ 7,457,377	\$ 32,716,031	\$ 177,072	\$ 41,257,644	\$ 35,233,969
Accounts receivable	35,648	-	5,780	-	41,428	50,708
Notes receivable	398,104	-	343,000	-	741,104	593,000
Taxes receivable	2,804	8,565	22,131	-	33,500	25,222
Special assessments receivable	-	292,053	78,772	-	370,825	481,662
Accrued interest receivable	28,548	17,852	108,429	424	155,253	212,503
Due from other funds	-	502	253,335	-	253,837	-
Due from other governments	432	-	-	-	432	432
Advances to other funds	-	-	1,181,648	-	1,181,648	1,269,872
TOTAL ASSETS	\$ 1,372,700	\$ 7,776,349	\$ 34,709,126	\$ 177,496	\$ 44,035,671	\$ 37,867,368
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 16,402	\$ 7,000	\$ 325,187	\$ -	\$ 348,589	\$ 145,118
Contracts payable	-	-	91,175	-	91,175	74,077
Accrued salaries and benefits payable	14,313	-	-	-	14,313	33,627
Deposits payable	350	-	-	-	350	1,300
Due to other funds	-	253,335	502	-	253,837	-
Due to other governments	498	-	-	-	498	844
Advances from other funds	-	-	448,379	-	448,379	692,420
Deferred revenue	585,909	291,320	451,698	-	1,328,927	1,294,088
Total liabilities	617,472	551,655	1,316,941	-	2,486,068	2,241,474
Fund balances:						
Reserved for:						
Advances	-	-	1,181,648	-	1,181,648	1,269,872
Debt service	-	7,224,694	-	-	7,224,694	3,432,063
Encumbrances	107	-	99,317	-	99,424	36,201
Special revenue projects	12,796	-	-	-	12,796	12,678
Cemetery perpetual care:						
Nonexpendable	-	-	-	45,500	45,500	45,500
Expendable	-	-	-	131,996	131,996	130,505
Construction projects	-	-	3,118,464	-	3,118,464	2,815,129
Tax Increment Financing	-	-	1,961,110	-	1,961,110	1,368,973
Unreserved, designated for, reported in:						
Capital improvements	-	-	16,165,909	-	16,165,909	13,795,684
Unreserved, undesignated, reported in:						
Special revenue funds	742,325	-	-	-	742,325	814,403
Capital project funds	-	-	10,865,737	-	10,865,737	11,904,886
Total fund balances	755,228	7,224,694	33,392,185	177,496	41,549,603	35,625,894
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,372,700	\$ 7,776,349	\$ 34,709,126	\$ 177,496	\$ 44,035,671	\$ 37,867,368

CITY OF PLYMOUTH, MINNESOTA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2009
(with comparative totals for year ended December 31, 2008)

	Special Revenue	Debt Service	Capital Project	Permanent Fund	Totals	
					2009	2008
REVENUES:						
General property taxes	\$ 670,772	\$ 2,107,038	\$ 4,049,446	\$ -	\$ 6,827,256	\$ 6,276,185
Special assessments	-	107,360	16,522	-	123,882	130,506
Intergovernmental	-	23,162	2,124,952	-	2,148,114	2,173,569
Charges for services	1,133,242	-	-	-	1,133,242	1,112,507
Contributions	2,732	-	65,744	-	68,476	622,196
Interest income	8,920	49,300	368,123	1,491	427,834	1,374,341
Loan repayments	4,896	-	-	-	4,896	-
Other revenues	2,355	-	67,865	-	70,220	137,029
Total revenues	<u>1,822,917</u>	<u>2,286,860</u>	<u>6,692,652</u>	<u>1,491</u>	<u>10,803,920</u>	<u>11,826,333</u>
EXPENDITURES:						
Current:						
General government	-	-	4,268	-	4,268	3,338
Parks and recreation	1,715,923	-	-	-	1,715,923	1,728,778
Public safety	-	-	-	-	-	3,881
Public service	178,093	-	-	-	178,093	-
Interest on interfund advances	-	-	39,223	-	39,223	50,846
Debt service:						
Principal retirement	-	1,690,000	-	-	1,690,000	1,600,000
Interest and fiscal charges	-	759,421	-	-	759,421	752,054
Bond issuance costs	-	49,305	-	-	49,305	-
Capital outlay	-	-	3,970,100	-	3,970,100	2,174,915
Total expenditures	<u>1,894,016</u>	<u>2,498,726</u>	<u>4,013,591</u>	<u>-</u>	<u>8,406,333</u>	<u>6,313,812</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(71,099)</u>	<u>(211,866)</u>	<u>2,679,061</u>	<u>1,491</u>	<u>2,397,587</u>	<u>5,512,521</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	2,012	-	5,705,512	-	5,707,524	3,454,806
Transfers out	(38,967)	-	(6,146,932)	-	(6,185,899)	(7,126,246)
General obligation bonds issued	-	3,935,000	-	-	3,935,000	-
Premium on bonds issued	-	69,497	-	-	69,497	-
Total other financing sources (uses)	<u>(36,955)</u>	<u>4,004,497</u>	<u>(441,420)</u>	<u>-</u>	<u>3,526,122</u>	<u>(3,671,440)</u>
NET CHANGE IN FUND BALANCES	<u>(108,054)</u>	<u>3,792,631</u>	<u>2,237,641</u>	<u>1,491</u>	<u>5,923,709</u>	<u>1,841,081</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>863,282</u>	<u>3,432,063</u>	<u>31,154,544</u>	<u>176,005</u>	<u>35,625,894</u>	<u>33,784,813</u>
FUND BALANCES AT END OF YEAR	<u>\$ 755,228</u>	<u>\$ 7,224,694</u>	<u>\$ 33,392,185</u>	<u>\$ 177,496</u>	<u>\$ 41,549,603</u>	<u>\$ 35,625,894</u>

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**CITY OF PLYMOUTH, MINNESOTA
SPECIAL REVENUE FUNDS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2009
(with comparative totals for December 31, 2008)**

	<u>Recreation</u>	<u>Parkers Lake Cemetery Maintenance</u>	<u>Community Development</u>	<u>Economic Development</u>	<u>Lawful Gambling</u>
<u>ASSETS</u>					
Cash and investments	\$ 685,523	\$ 151,792	\$ 52,195	\$ 4,894	\$ 12,760
Accounts receivable	34,661	-	-	987	-
Notes receivable	-	-	225,000	173,104	-
Taxes receivable	2,804	-	-	-	-
Accrued interest receivable	1,659	363	26,478	12	36
Due from other governments	432	-	-	-	-
TOTAL ASSETS	<u>\$ 725,079</u>	<u>\$ 152,155</u>	<u>\$ 303,673</u>	<u>\$ 178,997</u>	<u>\$ 12,796</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ 16,402	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits payable	14,313	-	-	-	-
Deposits payable	350	-	-	-	-
Due to other governments	498	-	-	-	-
Deferred revenue	161,452	-	251,353	173,104	-
Total liabilities	<u>193,015</u>	<u>-</u>	<u>251,353</u>	<u>173,104</u>	<u>-</u>
Fund balances:					
Reserved for:					
Encumbrances	107	-	-	-	-
Special revenue projects	-	-	-	-	12,796
Unreserved, undesignated	531,957	152,155	52,320	5,893	-
Total fund balances	<u>532,064</u>	<u>152,155</u>	<u>52,320</u>	<u>5,893</u>	<u>12,796</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 725,079</u>	<u>\$ 152,155</u>	<u>\$ 303,673</u>	<u>\$ 178,997</u>	<u>\$ 12,796</u>

Totals	
2009	2008
\$ 907,164	\$ 1,038,045
35,648	35,487
398,104	225,000
2,804	3,241
28,548	29,191
432	432
<u>\$ 1,372,700</u>	<u>\$ 1,331,396</u>

\$ 16,402	\$ 18,044
14,313	33,627
350	1,300
498	844
<u>585,909</u>	<u>414,299</u>
<u>617,472</u>	<u>468,114</u>

107	36,201
12,796	12,678
<u>742,325</u>	<u>814,403</u>
<u>755,228</u>	<u>863,282</u>
<u>\$ 1,372,700</u>	<u>\$ 1,331,396</u>

CITY OF PLYMOUTH, MINNESOTA
SPECIAL REVENUE FUNDS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2009
(with comparative totals for year ended December 31, 2008)

	<u>Recreation</u>	<u>Parkers Lake Cemetery Maintenance</u>	<u>Community Development</u>	<u>Economic Development</u>	<u>Lawful Gambling</u>
REVENUES:					
General property taxes	\$ 670,772	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for current services	1,133,132	110	-	-	-
Contributions	725	-	-	-	2,007
Interest income	4,101	1,278	492	2,926	123
Loan repayments	-	-	-	4,896	-
Other revenues	2,355	-	-	-	-
Total revenues	<u>1,811,085</u>	<u>1,388</u>	<u>492</u>	<u>7,822</u>	<u>2,130</u>
EXPENDITURES:					
Current:					
Parks and recreation	1,715,923	-	-	-	-
Public safety	-	-	-	-	-
Public service	-	93	-	178,000	-
Total expenditures	<u>1,715,923</u>	<u>93</u>	<u>-</u>	<u>178,000</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>95,162</u>	<u>1,295</u>	<u>492</u>	<u>(170,178)</u>	<u>2,130</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	2,012	-	-	-	-
Transfers out	(36,955)	-	-	-	(2,012)
Total other financing sources (uses)	<u>(34,943)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,012)</u>
NET CHANGE IN FUND BALANCES	60,219	1,295	492	(170,178)	118
FUND BALANCES AT BEGINNING OF YEAR	<u>471,845</u>	<u>150,860</u>	<u>51,828</u>	<u>176,071</u>	<u>12,678</u>
FUND BALANCES AT END OF YEAR	<u>\$ 532,064</u>	<u>\$ 152,155</u>	<u>\$ 52,320</u>	<u>\$ 5,893</u>	<u>\$ 12,796</u>

Totals

<u>2009</u>	<u>2008</u>
\$ 670,772	\$ 658,735
-	520
1,133,242	1,112,507
2,732	325
8,920	32,549
4,896	-
2,355	1,286
<u>1,822,917</u>	<u>1,805,922</u>
1,715,923	1,728,778
-	3,881
178,093	-
<u>1,894,016</u>	<u>1,732,659</u>
<u>(71,099)</u>	<u>73,263</u>
2,012	34,556
<u>(38,967)</u>	<u>(47,915)</u>
<u>(36,955)</u>	<u>(13,359)</u>
(108,054)	59,904
<u>863,282</u>	<u>803,378</u>
<u>\$ 755,228</u>	<u>\$ 863,282</u>

**CITY OF PLYMOUTH, MINNESOTA
RECREATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2009
(with comparative totals for year ended December 31, 2008)**

	2009		2008	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
REVENUES:				
General property taxes	\$ 678,497	\$ 670,772	\$ (7,725)	\$ 658,735
Intergovernmental	-	-	-	520
Charges for current services	1,102,749	1,133,132	30,383	1,104,093
Contributions	-	725	725	325
Interest income	9,000	4,101	(4,899)	18,225
Other revenues	1,300	2,355	1,055	1,286
Total revenues	<u>1,791,546</u>	<u>1,811,085</u>	<u>19,539</u>	<u>1,783,184</u>
EXPENDITURES:				
Current:				
Parks and recreation:				
Personal services	964,091	930,493	33,598	925,398
Materials and supplies	62,375	52,828	9,547	53,662
Contractual services	778,394	732,602	45,792	749,718
Total expenditures	<u>1,804,860</u>	<u>1,715,923</u>	<u>88,937</u>	<u>1,728,778</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(13,314)</u>	<u>95,162</u>	<u>108,476</u>	<u>54,406</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	40,269	2,012	(38,257)	34,556
Transfers out	(26,955)	(36,955)	(10,000)	(31,601)
Total other financing sources (uses)	<u>13,314</u>	<u>(34,943)</u>	<u>(48,257)</u>	<u>2,955</u>
NET CHANGE IN FUND BALANCE	-	60,219	60,219	57,361
FUND BALANCE AT BEGINNING OF YEAR	<u>471,845</u>	<u>471,845</u>	<u>-</u>	<u>414,484</u>
FUND BALANCE AT END OF YEAR	<u>\$ 471,845</u>	<u>\$ 532,064</u>	<u>\$ 60,219</u>	<u>\$ 471,845</u>

CITY OF PLYMOUTH, MINNESOTA
DEBT SERVICE FUNDS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2009
(with comparative totals for December 31, 2008)

	General Obligation Bonds	Tax Increment Bonds	Special Assessment Bonds	Totals	
				2009	2008
ASSETS					
Cash and investments	\$ 3,903,489	\$ 2,487,670	\$ 1,066,218	\$ 7,457,377	\$ 3,406,631
Taxes receivable	6,841	-	1,724	8,565	8,938
Special assessments receivable	-	-	292,053	292,053	399,012
Accrued interest receivable	9,344	5,955	2,553	17,852	15,804
Due from other funds	502	-	-	502	-
TOTAL ASSETS	\$ 3,920,176	\$ 2,493,625	\$ 1,362,548	\$ 7,776,349	\$ 3,830,385
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 7,000	\$ -	\$ -	\$ 7,000	\$ -
Due to other funds	-	253,335	-	253,335	-
Deferred revenue	-	-	291,320	291,320	398,322
Total liabilities	<u>7,000</u>	<u>253,335</u>	<u>291,320</u>	<u>551,655</u>	<u>398,322</u>
Fund balances:					
Reserved for debt service	<u>3,913,176</u>	<u>2,240,290</u>	<u>1,071,228</u>	<u>7,224,694</u>	<u>3,432,063</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,920,176	\$ 2,493,625	\$ 1,362,548	\$ 7,776,349	\$ 3,830,385

**CITY OF PLYMOUTH, MINNESOTA
DEBT SERVICE FUNDS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2009**

	General Obligation Bonds	Tax Increment Bonds	Special Assessment Bonds	Totals	
				2009	2008
REVENUES:					
General property taxes	\$ 1,694,310	\$ -	\$ 412,728	\$ 2,107,038	\$ 1,892,262
Special assessments	-	-	107,360	107,360	106,206
Intergovernmental	-	23,162	-	23,162	10,002
Interest income	13,575	8,145	27,580	49,300	114,728
Total revenues	<u>1,707,885</u>	<u>31,307</u>	<u>547,668</u>	<u>2,286,860</u>	<u>2,123,198</u>
EXPENDITURES:					
Debt service:					
Principal retirement	975,000	120,000	595,000	1,690,000	1,600,000
Interest and fiscal charges	541,060	169,042	49,319	759,421	752,054
Bond issuance costs	19,540	29,765	-	49,305	-
Total expenditures	<u>1,535,600</u>	<u>318,807</u>	<u>644,319</u>	<u>2,498,726</u>	<u>2,352,054</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>172,285</u>	<u>(287,500)</u>	<u>(96,651)</u>	<u>(211,866)</u>	<u>(228,856)</u>
OTHER FINANCING SOURCES:					
Transfers in	-	-	-	-	182,519
General obligation bonds issued	1,445,000	2,490,000	-	3,935,000	-
Premium on bonds issued	48,192	21,305	-	69,497	-
Total other financing sources	<u>1,493,192</u>	<u>2,511,305</u>	<u>-</u>	<u>4,004,497</u>	<u>182,519</u>
NET CHANGE IN FUND BALANCES	1,665,477	2,223,805	(96,651)	3,792,631	(46,337)
FUND BALANCES AT BEGINNING OF YEAR	<u>2,247,699</u>	<u>16,485</u>	<u>1,167,879</u>	<u>3,432,063</u>	<u>3,478,400</u>
FUND BALANCES AT END OF YEAR	<u>\$ 3,913,176</u>	<u>\$ 2,240,290</u>	<u>\$ 1,071,228</u>	<u>\$ 7,224,694</u>	<u>\$ 3,432,063</u>

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**CITY OF PLYMOUTH, MINNESOTA
CAPITAL PROJECT FUNDS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2009
(with comparative totals for December 31, 2008)**

	General Capital Projects	Minnesota State Aid	Community Improvement	Park Replacement	Project Administration
<u>ASSETS</u>					
Cash and investments	\$ 3,295,624	\$ 3,335,386	\$ 7,870,732	\$ 4,995,669	\$ 491,707
Accounts receivable	-	-	-	-	-
Notes receivable	-	-	-	-	-
Taxes receivable	-	-	-	-	-
Special assessments receivable	-	-	78,772	-	-
Accrued interest receivable	7,552	7,984	18,841	5,178	8,293
Due from other funds	-	-	-	-	-
Advances to other funds	-	-	-	1,181,648	-
TOTAL ASSETS	<u>\$ 3,303,176</u>	<u>\$ 3,343,370</u>	<u>\$ 7,968,345</u>	<u>\$ 6,182,495</u>	<u>\$ 500,000</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Contracts payable	91,175	-	-	-	-
Due to other funds	-	-	-	-	-
Advances from other funds	-	448,379	-	-	-
Deferred revenue	-	-	76,035	-	-
Total liabilities	<u>91,175</u>	<u>448,379</u>	<u>76,035</u>	<u>-</u>	<u>-</u>
Fund balances:					
Reserved for:					
Advances	-	-	-	1,181,648	-
Encumbrances	93,537	-	-	5,780	-
Construction projects	3,118,464	-	-	-	-
Tax increment financing	-	-	-	-	-
Unreserved:					
Designated for capital improvement	-	-	900,000	4,995,067	500,000
Undesignated	-	2,894,991	6,992,310	-	-
Total fund balances	<u>3,212,001</u>	<u>2,894,991</u>	<u>7,892,310</u>	<u>6,182,495</u>	<u>500,000</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,303,176</u>	<u>\$ 3,343,370</u>	<u>\$ 7,968,345</u>	<u>\$ 6,182,495</u>	<u>\$ 500,000</u>

<u>Park Construction</u>	<u>Infrastructure Replacement</u>	<u>Capital Improvement</u>	<u>G.O. Open Space 2007A</u>	<u>Tax Increment Projects</u>	<u>Totals</u>	
					<u>2009</u>	<u>2008</u>
\$ 12,367	\$ 8,926,086	\$ 1,770,822	\$ -	\$ 2,017,638	\$ 32,716,031	\$ 30,614,146
-	5,780	-	-	-	5,780	15,221
107,000	-	-	-	236,000	343,000	368,000
-	10,157	1,480	-	10,494	22,131	13,043
-	-	-	-	-	78,772	82,650
30	19,619	4,239	-	36,693	108,429	166,650
-	-	-	-	253,335	253,335	-
-	-	-	-	-	1,181,648	1,269,872
<u>\$ 119,397</u>	<u>\$ 8,961,642</u>	<u>\$ 1,776,541</u>	<u>\$ -</u>	<u>\$ 2,554,160</u>	<u>\$ 34,709,126</u>	<u>\$ 32,529,582</u>
\$ -	\$ -	\$ -	\$ -	\$ 325,187	\$ 325,187	\$ 127,074
-	-	-	-	-	91,175	74,077
-	-	-	502	-	502	-
-	-	-	-	-	448,379	692,420
107,000	800	-	-	267,863	451,698	481,467
<u>107,000</u>	<u>800</u>	<u>-</u>	<u>502</u>	<u>593,050</u>	<u>1,316,941</u>	<u>1,375,038</u>
-	-	-	-	-	1,181,648	1,269,872
-	-	-	-	-	99,317	-
-	-	-	-	-	3,118,464	2,815,129
-	-	-	-	1,961,110	1,961,110	1,368,973
-	8,960,842	810,000	-	-	16,165,909	13,795,684
12,397	-	966,541	(502)	-	10,865,737	11,904,886
<u>12,397</u>	<u>8,960,842</u>	<u>1,776,541</u>	<u>(502)</u>	<u>1,961,110</u>	<u>33,392,185</u>	<u>31,154,544</u>
<u>\$ 119,397</u>	<u>\$ 8,961,642</u>	<u>\$ 1,776,541</u>	<u>\$ -</u>	<u>\$ 2,554,160</u>	<u>\$ 34,709,126</u>	<u>\$ 32,529,582</u>

CITY OF PLYMOUTH, MINNESOTA
CAPITAL PROJECT FUNDS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2009
(with comparative totals for year ended December 31, 2008)

	<u>General Capital Projects</u>	<u>Minnesota State Aid</u>	<u>Community Improvement</u>	<u>Park Replacement</u>	<u>Project Administration</u>
REVENUES:					
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	16,522	-	-
Intergovernmental	-	2,121,472	-	-	-
Contributions	-	-	-	-	-
Interest income	21,612	27,065	66,689	86,818	29,154
Other revenues	-	-	1	-	-
Total revenues	<u>21,612</u>	<u>2,148,537</u>	<u>83,212</u>	<u>86,818</u>	<u>29,154</u>
EXPENDITURES:					
Current:					
General government	-	-	-	-	4,268
Interest on interfund advances	-	39,223	-	-	-
Capital outlay	731,836	-	-	87,127	-
Total expenditures	<u>731,836</u>	<u>39,223</u>	<u>-</u>	<u>87,127</u>	<u>4,268</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(710,224)</u>	<u>2,109,314</u>	<u>83,212</u>	<u>(309)</u>	<u>24,886</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	1,107,096	48,330	-	3,050,279	-
Transfers out	-	(640,948)	(97,705)	(481,138)	(2,972,799)
Total other financing sources (uses)	<u>1,107,096</u>	<u>(592,618)</u>	<u>(97,705)</u>	<u>2,569,141</u>	<u>(2,972,799)</u>
NET CHANGE IN FUND BALANCES	396,872	1,516,696	(14,493)	2,568,832	(2,947,913)
FUND BALANCES AT BEGINNING OF YEAR	<u>2,815,129</u>	<u>1,378,295</u>	<u>7,906,803</u>	<u>3,613,663</u>	<u>3,447,913</u>
FUND BALANCES AT END OF YEAR	<u>\$ 3,212,001</u>	<u>\$ 2,894,991</u>	<u>\$ 7,892,310</u>	<u>\$ 6,182,495</u>	<u>\$ 500,000</u>

<u>Park Construction</u>	<u>Infrastructure Replacement</u>	<u>Capital Improvement</u>	<u>G.O. Open Space 2007A</u>	<u>Tax Increment Projects</u>	<u>Totals</u>	
					<u>2009</u>	<u>2008</u>
\$ -	\$ 2,430,105	\$ 354,138	\$ -	\$ 1,265,203	\$ 4,049,446	\$ 3,725,188
-	-	-	-	-	16,522	24,300
-	3,480	-	-	-	2,124,952	2,163,047
65,744	-	-	-	-	65,744	621,871
6,008	86,041	15,877	(2)	28,861	368,123	1,220,727
-	67,864	-	-	-	67,865	135,743
<u>71,752</u>	<u>2,587,490</u>	<u>370,015</u>	<u>(2)</u>	<u>1,294,064</u>	<u>6,692,652</u>	<u>7,890,876</u>
-	-	-	-	-	4,268	3,338
-	-	-	-	-	39,223	50,846
<u>2,307,260</u>	<u>56,497</u>	<u>-</u>	<u>376</u>	<u>787,004</u>	<u>3,970,100</u>	<u>2,174,915</u>
<u>2,307,260</u>	<u>56,497</u>	<u>-</u>	<u>376</u>	<u>787,004</u>	<u>4,013,591</u>	<u>2,229,099</u>
<u>(2,235,508)</u>	<u>2,530,993</u>	<u>370,015</u>	<u>(378)</u>	<u>507,060</u>	<u>2,679,061</u>	<u>5,661,777</u>
-	1,414,730	-	-	85,077	5,705,512	3,237,731
<u>(210,944)</u>	<u>(1,379,385)</u>	<u>(364,013)</u>	<u>-</u>	<u>-</u>	<u>(6,146,932)</u>	<u>(7,078,331)</u>
<u>(210,944)</u>	<u>35,345</u>	<u>(364,013)</u>	<u>-</u>	<u>85,077</u>	<u>(441,420)</u>	<u>(3,840,600)</u>
<u>(2,446,452)</u>	<u>2,566,338</u>	<u>6,002</u>	<u>(378)</u>	<u>592,137</u>	<u>2,237,641</u>	<u>1,821,177</u>
<u>2,458,849</u>	<u>6,394,504</u>	<u>1,770,539</u>	<u>(124)</u>	<u>1,368,973</u>	<u>31,154,544</u>	<u>29,333,367</u>
<u>\$ 12,397</u>	<u>\$ 8,960,842</u>	<u>\$ 1,776,541</u>	<u>\$ (502)</u>	<u>\$ 1,961,110</u>	<u>\$ 33,392,185</u>	<u>\$ 31,154,544</u>

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**CITY OF PLYMOUTH, MINNESOTA
 PARKERS LAKE CEMETERY PERPETUAL CARE
 PERMANENT FUND
 NONMAJOR GOVERNMENTAL FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash and investments	\$ 177,072	\$ 175,147
Accrued interest receivable	424	858
TOTAL ASSETS	<u>\$ 177,496</u>	<u>\$ 176,005</u>
<u>LIABILITIES AND FUND BALANCES</u>		
Fund balance:		
Reserved for cemetery perpetual care:		
Nonexpendable	\$ 45,500	\$ 45,500
Expendable	131,996	130,505
Total fund balance	<u>177,496</u>	<u>176,005</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 177,496</u>	<u>\$ 176,005</u>

**CITY OF PLYMOUTH, MINNESOTA
 PARKERS LAKE CEMETERY PERPETUAL CARE
 PERMANENT FUND
 NONMAJOR GOVERNMENTAL FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<u>REVENUES:</u>		
Interest income	\$ 1,491	\$ 6,337
NET CHANGE IN FUND BALANCE	1,491	6,337
FUND BALANCE AT BEGINNING OF YEAR	<u>176,005</u>	<u>169,668</u>
FUND BALANCE AT END OF YEAR	<u>\$ 177,496</u>	<u>\$ 176,005</u>

**CITY OF PLYMOUTH, MINNESOTA
GENERAL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2009 AND 2008**

	Totals	
	2009	2008
<u>ASSETS</u>		
Cash and investments	\$ 13,175,844	\$ 13,376,532
Accounts receivable	67,513	103,912
Taxes receivable	515,676	486,235
Special assessments receivable	18,389	12,220
Accrued interest receivable	33,490	76,430
Due from other funds	30,000	15,000
Due from other governments	115,427	136,524
Prepaid expenses	7,229	8,680
TOTAL ASSETS	<u>\$ 13,963,568</u>	<u>\$ 14,215,533</u>
<u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	\$ 400,687	\$ 413,371
Accrued salaries and benefits payable	324,654	773,515
Deposits payable	720,703	868,307
Due to other governments	214	11,296
Deferred revenue	786,119	880,545
Total liabilities	<u>2,232,377</u>	<u>2,947,034</u>
Fund balances:		
Reserved for:		
Encumbrances	246,466	1,332,689
Prepays	7,229	8,680
Unreserved, designated for working capital	11,477,496	9,896,732
Unreserved, designated for DEA asset sharing	-	30,398
Total fund balance	<u>11,731,191</u>	<u>11,268,499</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 13,963,568</u>	<u>\$ 14,215,533</u>

CITY OF PLYMOUTH, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES AND TRANSFERS - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2009
(with comparative totals for year ended December 31, 2008)

	2009		2008	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
REVENUES:				
Taxes and special assessments:				
Property taxes	\$ 22,168,764	\$ 22,197,937	\$ 29,173	\$ 21,177,722
Special assessments	-	4,368	4,368	3,267
Total taxes and special assessments	<u>22,168,764</u>	<u>22,202,305</u>	<u>33,541</u>	<u>21,180,989</u>
Licenses and permits:				
Nonbusiness	1,960,500	1,931,958	(28,542)	3,601,057
Business	288,800	340,132	51,332	227,099
Total licenses and permits	<u>2,249,300</u>	<u>2,272,090</u>	<u>22,790</u>	<u>3,828,156</u>
Intergovernmental:				
State grants and aids	640,268	999,908	359,640	1,047,897
Federal grants	10,000	183,843	173,843	117,095
Other	327,195	391,317	64,122	341,680
Total intergovernmental	<u>977,463</u>	<u>1,575,068</u>	<u>597,605</u>	<u>1,506,672</u>
Charges for services	<u>1,037,310</u>	<u>1,082,485</u>	<u>45,175</u>	<u>1,263,359</u>
Fines and forfeitures	<u>900,500</u>	<u>798,496</u>	<u>(102,004)</u>	<u>896,876</u>
Interest income	<u>308,000</u>	<u>40,489</u>	<u>(267,511)</u>	<u>378,618</u>
Other revenues:				
Contributions	1,000	23,115	22,115	78,141
Other	40,000	117,175	77,175	134,994
Total other revenues	<u>41,000</u>	<u>140,290</u>	<u>99,290</u>	<u>213,135</u>
Total revenues	<u>27,682,337</u>	<u>28,111,223</u>	<u>428,886</u>	<u>29,267,805</u>
OTHER FINANCING SOURCES:				
Transfers from other funds:				
Employee Benefits	-	-	-	21,731
Field House	3,824	3,824	-	-
Ice Center	11,939	11,939	-	-
Resource Planning	44,957	2,000	(42,957)	312,539
Sewer	56,643	56,643	-	54,000
Solid Waste	17,929	17,929	-	-
Transit	17,911	17,911	-	-
Utility Trunk	-	-	-	35,000
Water	79,567	79,567	-	75,000
Water Resources	17,388	17,388	-	-
Total other financing sources	<u>250,158</u>	<u>207,201</u>	<u>(42,957)</u>	<u>498,270</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u><u>\$ 27,932,495</u></u>	<u><u>\$ 28,318,424</u></u>	<u><u>\$ 385,929</u></u>	<u><u>\$ 29,766,075</u></u>

CITY OF PLYMOUTH, MINNESOTA
GENERAL FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2009
(with comparative totals for year ended December 31, 2008)

	2009		2008	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
GENERAL GOVERNMENT:				
Legislative:				
Personal services	\$ 535,357	\$ 511,825	\$ 23,532	\$ 514,400
Materials and supplies	9,000	4,799	4,201	4,846
Contractual services	677,579	641,200	36,379	641,317
Other	366,000	119,658	246,342	115,360
Total legislative	<u>1,587,936</u>	<u>1,277,482</u>	<u>310,454</u>	<u>1,275,923</u>
Administration:				
Personal services	1,146,788	1,405,901	(259,113)	1,499,714
Materials and supplies	18,265	6,052	12,213	14,099
Contractual services	518,620	394,989	123,631	444,232
Other	-	1,201	(1,201)	-
Total administration	<u>1,683,673</u>	<u>1,808,143</u>	<u>(124,470)</u>	<u>1,958,045</u>
Community development:				
Personal services	925,466	840,499	84,967	908,144
Materials and supplies	8,300	1,788	6,512	2,336
Contractual services	216,702	171,134	45,568	193,148
Total community development	<u>1,150,468</u>	<u>1,013,421</u>	<u>137,047</u>	<u>1,103,628</u>
Total general government	<u>4,422,077</u>	<u>4,099,046</u>	<u>323,031</u>	<u>4,337,596</u>
PARKS AND RECREATION:				
Personal services	2,892,845	2,740,070	152,775	2,646,533
Materials and supplies	426,312	367,140	59,172	360,657
Contractual services	1,560,453	1,467,815	92,638	1,425,580
Capital outlay	82,000	-	82,000	57,908
Other	6,290	8,626	(2,336)	-
Total parks and recreation	<u>4,967,900</u>	<u>4,583,651</u>	<u>384,249</u>	<u>4,490,678</u>
PUBLIC SAFETY:				
Police:				
Personal services	8,093,696	8,117,807	(24,111)	7,918,636
Materials and supplies	154,770	131,895	22,875	146,242
Contractual services	1,729,567	1,724,360	5,207	1,673,531
Capital outlay	-	-	-	132,533
Other	95,000	98,611	(3,611)	-
Total police	<u>10,073,033</u>	<u>10,072,673</u>	<u>360</u>	<u>9,870,942</u>
Fire:				
Personal services	1,127,938	1,141,292	(13,354)	1,036,203
Materials and supplies	109,382	168,747	(59,365)	118,286
Contractual services	742,543	678,378	64,165	652,913
Capital outlay	-	14,091	(14,091)	-
Other	-	305,859	(305,859)	364,197
Total fire	<u>1,979,863</u>	<u>2,308,367</u>	<u>(328,504)</u>	<u>2,171,599</u>
Civil defense:				
Personal services	66,924	20,055	46,869	62,479
Materials and supplies	3,600	2,923	677	3,049
Contractual services	35,692	31,573	4,119	29,412
Capital outlay	25,000	-	25,000	-
Total civil defense	<u>131,216</u>	<u>54,551</u>	<u>76,665</u>	<u>94,940</u>

(Continued...)

**CITY OF PLYMOUTH, MINNESOTA
GENERAL FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2009
(with comparative totals for year ended December 31, 2008)**

(Continued from previous page)

	2009		2008	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
Protective inspections				
Personal services	992,331	932,438	59,893	943,478
Materials and supplies	7,470	2,503	4,967	3,018
Contractual services	145,353	140,497	4,856	134,286
Total protective inspections	<u>1,145,154</u>	<u>1,075,438</u>	<u>69,716</u>	<u>1,080,782</u>
Total public safety	<u>13,329,266</u>	<u>13,511,029</u>	<u>(181,763)</u>	<u>13,218,263</u>
PUBLIC WORKS:				
Engineering:				
Personal services	322,689	279,426	43,263	320,500
Materials and supplies	6,100	2,035	4,065	1,355
Contractual services	207,845	180,347	27,498	192,735
Capital outlay	4,500	-	4,500	15,917
Other	-	2,508	(2,508)	-
Total engineering	<u>541,134</u>	<u>464,316</u>	<u>76,818</u>	<u>530,507</u>
Streets:				
Personal services	1,007,845	949,266	58,579	979,973
Materials and supplies	819,475	674,050	145,425	654,671
Contractual services	2,159,595	2,062,913	96,682	1,931,584
Capital outlay	-	-	-	193,186
Other	9,564	4,778	4,786	4,494
Total streets	<u>3,996,479</u>	<u>3,691,007</u>	<u>305,472</u>	<u>3,763,908</u>
Total public works	<u>4,537,613</u>	<u>4,155,323</u>	<u>382,290</u>	<u>4,294,415</u>
Total expenditures	<u>27,256,856</u>	<u>26,349,049</u>	<u>907,807</u>	<u>26,340,952</u>
OTHER FINANCING USES:				
Transfers to other funds:				
Central Equipment	43,981	94,627	(50,646)	43,981
Employee Benefits	53,045	53,045	-	244,817
Infrastructure Replacement	-	730,000	(730,000)	2,200,000
Park Replacement	77,480	77,480	-	211,393
Resource Planning	40,000	90,398	(50,398)	40,000
Risk Management	461,133	461,133	-	447,703
Total other financing uses	<u>675,639</u>	<u>1,506,683</u>	<u>(831,044)</u>	<u>3,187,894</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 27,932,495</u>	<u>\$ 27,855,732</u>	<u>\$ 76,763</u>	<u>\$ 29,528,846</u>

**CITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET ASSETS
DECEMBER 31, 2009
(with comparative totals for December 31, 2008)**

	Solid Waste Management	Water Resources	Field House	Totals	
				2009	2008
ASSETS					
Current assets:					
Cash and investments	\$ 2,816,531	\$ 2,099,046	\$ 990,548	\$ 5,906,125	\$ 5,880,415
Accounts receivable	2,000	-	9,692	11,692	334,503
Accrued interest receivable	6,742	5,026	2,371	14,139	30,436
Due from other governments	-	48,718	-	48,718	48,717
Advances to other funds	-	-	-	-	38,702
Total current assets	<u>2,825,273</u>	<u>2,152,790</u>	<u>1,002,611</u>	<u>5,980,674</u>	<u>6,332,773</u>
Noncurrent assets:					
Capital assets:					
Land	-	-	47,551	47,551	47,551
Buildings	-	-	1,401,187	1,401,187	1,401,187
Improvements other than buildings	-	297,209	248,368	545,577	430,084
Machinery and equipment	-	99,279	134,330	233,609	233,609
Infrastructure	-	2,640,915	-	2,640,915	1,849,177
Construction in progress	-	1,588,765	-	1,588,765	1,572,628
Total capital assets	-	4,626,168	1,831,436	6,457,604	5,534,236
Less accumulated depreciation	-	(310,934)	(1,180,264)	(1,491,198)	(1,314,863)
Net capital assets	-	4,315,234	651,172	4,966,406	4,219,373
TOTAL ASSETS	<u>\$ 2,825,273</u>	<u>\$ 6,468,024</u>	<u>\$ 1,653,783</u>	<u>\$ 10,947,080</u>	<u>\$ 10,552,146</u>
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 46,517	\$ 45,055	\$ 10,977	\$ 102,549	\$ 124,230
Contracts payable	-	116,783	-	116,783	39,804
Accrued salaries and benefits payable	2,676	14,757	2,423	19,856	43,238
Due to other governments	1,200	-	410	1,610	-
Unearned revenue	-	-	83,607	83,607	62,113
Total liabilities	<u>50,393</u>	<u>176,595</u>	<u>97,417</u>	<u>324,405</u>	<u>269,385</u>
NET ASSETS					
Invested in capital assets	-	4,315,234	651,172	4,966,406	4,219,373
Restricted	-	1,976,195	-	1,976,195	2,219,609
Unrestricted	2,774,880	-	905,194	3,680,074	3,843,779
Total net assets	<u>2,774,880</u>	<u>6,291,429</u>	<u>1,556,366</u>	<u>10,622,675</u>	<u>10,282,761</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,825,273</u>	<u>\$ 6,468,024</u>	<u>\$ 1,653,783</u>	<u>\$ 10,947,080</u>	<u>\$ 10,552,146</u>

CITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2009
(with comparative totals for year ended December 31, 2008)

	<u>Solid Waste</u>	<u>Water</u>	<u>Field</u>	<u>Totals</u>	
	<u>Management</u>	<u>Resources</u>	<u>House</u>	<u>2009</u>	<u>2008</u>
OPERATING REVENUES:					
Charges for services	\$ 410,956	\$ 2,545,764	\$ 339,105	\$ 3,295,825	\$ 3,117,195
Other fees	-	1,063	25,248	26,311	716,110
Total operating revenue	<u>410,956</u>	<u>2,546,827</u>	<u>364,353</u>	<u>3,322,136</u>	<u>3,833,305</u>
OPERATING EXPENSES:					
Personal services	139,930	785,543	94,746	1,020,219	975,721
Materials and supplies	23,946	223,933	9,146	257,025	148,745
Contractual services	779,432	1,015,555	90,611	1,885,598	1,913,093
Depreciation	-	78,307	98,028	176,335	162,040
Total operating expenses	<u>943,308</u>	<u>2,103,338</u>	<u>292,531</u>	<u>3,339,177</u>	<u>3,199,599</u>
OPERATING INCOME (LOSS)	<u>(532,352)</u>	<u>443,489</u>	<u>71,822</u>	<u>(17,041)</u>	<u>633,706</u>
NONOPERATING REVENUES:					
Interest income	22,313	21,165	8,787	52,265	198,670
Intergovernmental	186,825	38,823	-	225,648	903,438
Contributions	-	-	-	-	310
Other	9,916	24,788	-	34,704	35,000
Total nonoperating revenues	<u>219,054</u>	<u>84,776</u>	<u>8,787</u>	<u>312,617</u>	<u>1,137,418</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(313,298)</u>	<u>528,265</u>	<u>80,609</u>	<u>295,576</u>	<u>1,771,124</u>
CAPITAL CONTRIBUTIONS	-	200,570	-	200,570	-
TRANSFERS IN	-	-	-	-	3,370
TRANSFERS OUT	<u>(23,320)</u>	<u>(127,188)</u>	<u>(5,724)</u>	<u>(156,232)</u>	<u>(106,806)</u>
CHANGES IN NET ASSETS	<u>(336,618)</u>	<u>601,647</u>	<u>74,885</u>	<u>339,914</u>	<u>1,667,688</u>
NET ASSETS AT BEGINNING OF YEAR	<u>3,111,498</u>	<u>5,689,782</u>	<u>1,481,481</u>	<u>10,282,761</u>	<u>8,615,073</u>
NET ASSETS AT END OF YEAR	<u>\$ 2,774,880</u>	<u>\$ 6,291,429</u>	<u>\$ 1,556,366</u>	<u>\$ 10,622,675</u>	<u>\$ 10,282,761</u>

CITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2009
(with comparative totals for year ended December 31, 2008)

	<u>Solid Waste Management</u>	<u>Water Resources</u>	<u>Field House</u>	<u>Totals</u>	
				<u>2009</u>	<u>2008</u>
CASH FLOWS FROM					
OPERATING ACTIVITIES:					
Receipts from customers or users	\$ 409,644	\$ 2,883,528	\$ 411,970	\$ 3,705,142	\$ 3,489,236
Payments to suppliers	(798,422)	(1,288,219)	(98,349)	(2,184,990)	(1,980,915)
Payments to employees	(142,634)	(804,701)	(96,266)	(1,043,601)	(958,201)
Net cash provided (used) by operating activities	<u>(531,412)</u>	<u>790,608</u>	<u>217,355</u>	<u>476,551</u>	<u>550,120</u>
CASH FLOWS FROM NONCAPITAL					
FINANCING ACTIVITIES:					
Intergovernmental revenues	186,825	38,823	-	225,648	903,438
Contributions	-	-	-	-	310
Other	9,916	24,788	-	34,704	35,000
Transfers in from other funds	-	-	-	-	3,370
Transfers out to other funds	(23,320)	(127,188)	(5,724)	(156,232)	(106,806)
Net cash provided (used) by noncapital financing activities	<u>173,421</u>	<u>(63,577)</u>	<u>(5,724)</u>	<u>104,120</u>	<u>835,312</u>
CASH FLOWS FROM CAPITAL AND					
RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets	-	(623,523)	-	(623,523)	(1,192,171)
CASH FLOWS FROM					
INVESTING ACTIVITIES:					
Interest income	<u>30,975</u>	<u>27,405</u>	<u>10,182</u>	<u>68,562</u>	<u>208,425</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(327,016)	130,913	221,813	25,710	401,686
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>3,143,547</u>	<u>1,968,133</u>	<u>768,735</u>	<u>5,880,415</u>	<u>5,478,729</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,816,531</u>	<u>\$ 2,099,046</u>	<u>\$ 990,548</u>	<u>\$ 5,906,125</u>	<u>\$ 5,880,415</u>

(Continued...)

CITY OF PLYMOUTH, MINNESOTA
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2009
(with comparative totals for year ended December 31, 2008)

(Continued from previous page)

	<u>Solid Waste Management</u>	<u>Water Resources</u>	<u>Field House</u>	<u>Totals</u>	
				<u>2009</u>	<u>2008</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ (532,352)	\$ 443,489	\$ 71,822	\$ (17,041)	\$ 633,706
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	-	78,307	98,028	176,335	162,040
Changes in assets and liabilities:					
Accounts receivable	(1,312)	298,000	26,123	322,811	(318,763)
Due from other funds	-	38,702	-	38,702	(38,702)
Due from other governments	-	(1)	-	(1)	(48,717)
Accounts payable	3,756	(48,731)	998	(43,977)	80,923
Due to other governments	1,200	-	410	1,610	-
Accrued salaries payable	(2,704)	(19,158)	(1,520)	(23,382)	17,520
Unearned revenue	-	-	21,494	21,494	62,113
Total adjustments	940	347,119	145,533	493,592	(83,586)
Net cash provided (used) by operating activities	\$ (531,412)	\$ 790,608	\$ 217,355	\$ 476,551	\$ 550,120
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:					
Contributions of capital assets from other City funds	-	200,570	-	200,570	-
Increase (decrease) in capital assets from accounts and contracts payable	-	99,275	-	99,275	44,628

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CITY OF PLYMOUTH, MINNESOTA
INTERNAL SERVICE FUNDS
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET ASSETS
DECEMBER 31, 2009
(with comparative totals for December 31, 2008)

	Central Equipment	Public Facilities	Information Technology	Risk Management
<u>ASSETS</u>				
Current assets:				
Cash and investments	\$ 4,818,923	\$ 3,172,817	\$ 4,048,940	\$ 6,118,832
Accounts receivable	54	7	-	10,464
Accrued interest receivable	11,535	7,595	9,755	14,647
Due from other governments	11,930	234	14	-
Inventory	118,255	-	-	-
Prepaid expenses	-	4,506	72,611	-
Total current assets	<u>4,960,697</u>	<u>3,185,159</u>	<u>4,131,320</u>	<u>6,143,943</u>
Noncurrent assets:				
Capital assets:				
Land	33,520	-	-	-
Buildings	-	103,118	-	-
Improvements other than buildings	-	36,349	369,062	-
Machinery and equipment	13,804,989	176,808	2,529,459	-
Construction in progress	-	-	-	-
Total capital assets	<u>13,838,509</u>	<u>316,275</u>	<u>2,898,521</u>	<u>-</u>
Less accumulated depreciation	<u>(7,795,656)</u>	<u>(7,681)</u>	<u>(1,948,148)</u>	<u>-</u>
Net capital assets	<u>6,042,853</u>	<u>308,594</u>	<u>950,373</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 11,003,550</u>	<u>\$ 3,493,753</u>	<u>\$ 5,081,693</u>	<u>\$ 6,143,943</u>
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	\$ 66,236	\$ 62,972	\$ 27,826	\$ 476,608
Accrued salaries and benefits payable	5,630	3,359	14,389	1,520
Compensated absences payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	1,324	-	1,647	-
Unearned revenue	-	-	-	-
Total current liabilities	<u>73,190</u>	<u>66,331</u>	<u>43,862</u>	<u>478,128</u>
Noncurrent liabilities:				
OPEB (net)	-	-	-	-
Compensated absences payable	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>73,190</u>	<u>66,331</u>	<u>43,862</u>	<u>478,128</u>
<u>NET ASSETS</u>				
Invested in capital assets	6,042,853	308,594	950,373	-
Unrestricted	4,887,507	3,118,828	4,087,458	5,665,815
Total net assets	<u>10,930,360</u>	<u>3,427,422</u>	<u>5,037,831</u>	<u>5,665,815</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 11,003,550</u>	<u>\$ 3,493,753</u>	<u>\$ 5,081,693</u>	<u>\$ 6,143,943</u>

Employee Benefits	Design Engineering	Resource Planning	Totals	
			2009	2008
\$ 4,096,569	\$ 203,829	\$ 1,522,959	\$ 23,982,869	\$ 23,059,342
-	-	-	10,525	38,644
9,672	487	3,394	57,085	113,380
-	-	-	12,178	27,829
-	-	-	118,255	97,330
180,650	-	-	257,767	3,900
<u>4,286,891</u>	<u>204,316</u>	<u>1,526,353</u>	<u>24,438,679</u>	<u>23,340,425</u>
-	-	-	33,520	33,520
-	-	-	103,118	-
-	-	-	405,411	-
-	29,784	-	16,541,040	16,367,604
-	-	-	-	86,400
-	29,784	-	17,083,089	16,487,524
-	(16,351)	-	(9,767,836)	(8,913,336)
-	13,433	-	7,315,253	7,574,188
<u>\$ 4,286,891</u>	<u>\$ 217,749</u>	<u>\$ 1,526,353</u>	<u>\$ 31,753,932</u>	<u>\$ 30,914,613</u>
\$ 36,293	\$ -	\$ 917	\$ 670,852	\$ 1,182,052
16,957	5,521	-	47,376	89,512
1,624,202	-	-	1,624,202	1,594,160
30,000	-	-	30,000	15,000
12	-	-	2,983	640
-	-	750	750	2,760
<u>1,707,464</u>	<u>5,521</u>	<u>1,667</u>	<u>2,376,163</u>	<u>2,884,124</u>
401,788	-	-	401,788	196,831
687,676	-	-	687,676	461,505
<u>1,089,464</u>	<u>-</u>	<u>-</u>	<u>1,089,464</u>	<u>658,336</u>
<u>2,796,928</u>	<u>5,521</u>	<u>1,667</u>	<u>3,465,627</u>	<u>3,542,460</u>
-	13,433	-	7,315,253	7,574,188
1,489,963	198,795	1,524,686	20,973,052	19,797,965
<u>1,489,963</u>	<u>212,228</u>	<u>1,524,686</u>	<u>28,288,305</u>	<u>27,372,153</u>
<u>\$ 4,286,891</u>	<u>\$ 217,749</u>	<u>\$ 1,526,353</u>	<u>\$ 31,753,932</u>	<u>\$ 30,914,613</u>

CITY OF PLYMOUTH, MINNESOTA
INTERNAL SERVICE FUNDS
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2009
(with comparative totals for year ended December 31, 2008)

	<u>Central Equipment</u>	<u>Public Facilities</u>	<u>Information Technology</u>	<u>Risk Management</u>
OPERATING REVENUES:				
Charges for services	\$ 2,427,821	\$ 1,198,302	\$ 2,048,862	\$ -
Other	-	-	-	183,460
Total operating revenue	<u>2,427,821</u>	<u>1,198,302</u>	<u>2,048,862</u>	<u>183,460</u>
OPERATING EXPENSES:				
Personal services	317,060	167,795	730,864	78,177
Materials and supplies	541,387	87,254	272,549	9,827
Contractual services	182,607	773,361	737,699	494,491
Depreciation	1,153,387	7,681	290,665	-
Total operating expenses	<u>2,194,441</u>	<u>1,036,091</u>	<u>2,031,777</u>	<u>582,495</u>
OPERATING INCOME (LOSS)	<u>233,380</u>	<u>162,211</u>	<u>17,085</u>	<u>(399,035)</u>
NONOPERATING REVENUES:				
Interest income	39,923	26,467	32,481	48,088
Gain on disposal of capital assets	101,865	-	550	-
Contributions	-	-	3,775	-
Other	1,454	-	622	-
Total nonoperating revenues	<u>143,242</u>	<u>26,467</u>	<u>37,428</u>	<u>48,088</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	376,622	188,678	54,513	(350,947)
CAPITAL CONTRIBUTIONS	-	-	6,000	-
TRANSFERS IN	104,168	-	10,000	645,250
TRANSFERS OUT	<u>(10,450)</u>	<u>(50,705)</u>	<u>(17,495)</u>	<u>(7,426)</u>
CHANGES IN NET ASSETS	470,340	137,973	53,018	286,877
NET ASSETS AT BEGINNING OF YEAR	<u>10,460,020</u>	<u>3,289,449</u>	<u>4,984,813</u>	<u>5,378,938</u>
NET ASSETS AT END OF YEAR	<u>\$ 10,930,360</u>	<u>\$ 3,427,422</u>	<u>\$ 5,037,831</u>	<u>\$ 5,665,815</u>

Employee Benefits	Design Engineering	Resource Planning	Totals	
			2009	2008
\$ 2,520,985	\$ 334,952	\$ 25,222	\$ 8,556,144	\$ 8,176,017
-	-	-	183,460	78,040
<u>2,520,985</u>	<u>334,952</u>	<u>25,222</u>	<u>8,739,604</u>	<u>8,254,057</u>
2,751,600	271,873	-	4,317,369	4,646,166
-	330	121,346	1,032,693	1,203,361
230	45,867	21,535	2,255,790	2,742,934
-	1,143	-	1,452,876	1,330,016
<u>2,751,830</u>	<u>319,213</u>	<u>142,881</u>	<u>9,058,728</u>	<u>9,922,477</u>
(230,845)	15,739	(117,659)	(319,124)	(1,668,420)
38,018	154	9,352	194,483	767,719
-	-	-	102,415	59,398
-	-	-	3,775	16,485
13,101	-	19,964	35,141	5,644
<u>51,119</u>	<u>154</u>	<u>29,316</u>	<u>335,814</u>	<u>849,246</u>
(179,726)	15,893	(88,343)	16,690	(819,174)
-	-	101,283	107,283	263,865
70,471	-	107,897	937,786	2,567,513
-	(6,531)	(53,000)	(145,607)	(206,761)
(109,255)	9,362	67,837	916,152	1,805,443
<u>1,599,218</u>	<u>202,866</u>	<u>1,456,849</u>	<u>27,372,153</u>	<u>25,566,710</u>
<u>\$ 1,489,963</u>	<u>\$ 212,228</u>	<u>\$ 1,524,686</u>	<u>\$ 28,288,305</u>	<u>\$ 27,372,153</u>

CITY OF PLYMOUTH, MINNESOTA
INTERNAL SERVICE FUNDS
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2009
(with comparative totals for year ended December 31, 2008)

	<u>Central Equipment</u>	<u>Public Facilities</u>	<u>Information Technology</u>	<u>Risk Management</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers or users	\$ 2,443,706	\$ 1,198,061	\$ 2,055,493	\$ -
Payments to suppliers	(752,230)	(953,295)	(1,112,788)	(767,213)
Payments to employees	(328,810)	(171,970)	(746,045)	(80,074)
Other operating revenue	-	-	-	183,460
Net cash provided (used) by operating activities	<u>1,362,666</u>	<u>72,796</u>	<u>196,660</u>	<u>(663,827)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Contributions	-	-	3,775	-
Other	1,454	-	622	-
Transfers in from other funds	104,168	-	10,000	645,250
Transfers out to other funds	(10,450)	(50,705)	(17,495)	(7,426)
Net cash provided (used) by noncapital financing activities	<u>95,172</u>	<u>(50,705)</u>	<u>(3,098)</u>	<u>637,824</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(914,644)	(137,176)	(254,853)	-
Contributions	-	-	-	-
Proceeds from sale of capital assets	89,862	-	550	-
Net cash used by capital and related financing activities	<u>(824,782)</u>	<u>(137,176)</u>	<u>(254,303)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment earnings	48,669	34,799	42,574	63,255
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	681,725	(80,286)	(18,167)	37,252
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>4,137,198</u>	<u>3,253,103</u>	<u>4,067,107</u>	<u>6,081,580</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 4,818,923</u>	<u>\$ 3,172,817</u>	<u>\$ 4,048,940</u>	<u>\$ 6,118,832</u>

(Continued...)

Employee Benefits	Design Engineering	Resource Planning	Totals	
			2009	2008
\$ 2,520,985	\$ 334,952	\$ 23,212	\$ 8,576,409	\$ 8,210,863
(164,667)	(46,439)	(144,765)	(3,941,397)	(3,755,857)
(2,256,086)	(278,856)	-	(3,861,841)	(4,182,356)
-	-	-	183,460	-
<u>100,232</u>	<u>9,657</u>	<u>(121,553)</u>	<u>956,631</u>	<u>272,650</u>
-	-	-	3,775	16,485
13,101	-	19,964	35,141	5,644
70,471	-	107,897	937,786	2,564,348
-	(6,531)	(53,000)	(145,607)	(206,761)
<u>83,572</u>	<u>(6,531)</u>	<u>74,861</u>	<u>831,095</u>	<u>2,379,716</u>
-	-	-	(1,306,673)	(1,366,775)
-	-	101,283	101,283	2,065
-	-	-	90,412	87,204
-	-	101,283	(1,114,978)	(1,277,506)
<u>46,151</u>	<u>647</u>	<u>14,684</u>	<u>250,779</u>	<u>813,589</u>
229,955	3,773	69,275	923,527	2,188,449
<u>3,866,614</u>	<u>200,056</u>	<u>1,453,684</u>	<u>23,059,342</u>	<u>20,870,893</u>
<u>\$ 4,096,569</u>	<u>\$ 203,829</u>	<u>\$ 1,522,959</u>	<u>\$ 23,982,869</u>	<u>\$ 23,059,342</u>

**CITY OF PLYMOUTH, MINNESOTA
INTERNAL SERVICE FUNDS
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2009
(with comparative totals for year ended December 31, 2008)**

(Continued from previous page)

	<u>Central Equipment</u>	<u>Public Facilities</u>	<u>Information Technology</u>	<u>Risk Management</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 233,380	\$ 162,211	\$ 17,085	\$ (399,035)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	1,153,387	7,681	290,665	-
Changes in assets and liabilities:				
Accounts receivable	-	(7)	6,632	-
Due from other governments	15,885	(234)	-	-
Inventory	(20,925)	-	-	-
Prepaid expenses	-	(606)	(72,611)	-
Accounts payable	(8,635)	(92,074)	(31,577)	(262,255)
Due to other funds	-	-	-	-
Due to other governments	1,324	-	1,647	(640)
Accrued salaries payable	(11,750)	(4,175)	(15,181)	(1,897)
OPEB	-	-	-	-
Compensated absences payable	-	-	-	-
Unearned revenue	-	-	-	-
Total adjustments	<u>1,129,286</u>	<u>(89,415)</u>	<u>179,575</u>	<u>(264,792)</u>
Net cash provided (used) by operating activities	<u>\$ 1,362,666</u>	<u>\$ 72,796</u>	<u>\$ 196,660</u>	<u>\$ (663,827)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
Contribution of capital asset from others	-	-	6,000	-
Trade-in values on capital asset purchases	20,000	-	-	-
Transfer of capital assets to other City funds	-	28,952	-	-
Increase (decrease) in capital assets from accounts and contracts payable	66,548	(19,528)	83,715	-

Employee Benefits	Design Engineering	Resource Planning	Totals	
			2009	2008
\$ (230,845)	\$ 15,739	\$ (117,659)	\$ (319,124)	\$ (1,668,420)
-	1,143	-	1,452,876	1,330,016
21,494	-	-	28,119	(16,842)
-	-	-	15,651	(26,352)
-	-	-	(20,925)	57,558
(180,650)	-	-	(253,867)	4,540
16,201	(242)	(1,884)	(380,466)	127,700
15,000	-	-	15,000	-
12	-	-	2,343	640
(2,150)	(6,983)	-	(42,136)	32,052
204,957	-	-	204,957	196,831
256,213	-	-	256,213	234,927
-	-	(2,010)	(2,010)	-
<u>331,077</u>	<u>(6,082)</u>	<u>(3,894)</u>	<u>1,275,755</u>	<u>1,941,070</u>
<u>\$ 100,232</u>	<u>\$ 9,657</u>	<u>\$ (121,553)</u>	<u>\$ 956,631</u>	<u>\$ 272,650</u>

-	-	-	6,000	-
-	-	-	20,000	6,800
-	-	-	28,952	-
-	-	-	130,735	(153,518)

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HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
STATEMENT OF NET ASSETS
DECEMBER 31, 2009

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and investments	\$ 2,398,960	\$ 1,779,427	\$ 4,178,387
Accounts receivable	37,052	1,108	38,160
Notes receivable	964,830	-	964,830
Taxes receivable	9,696	-	9,696
Accrued interest receivable	61,199	3,563	64,762
Prepaid items	244,042	31,865	275,907
Deferred charges	-	107,149	107,149
Capital assets:			
Nondepreciable:			
Land	-	1,333,840	1,333,840
Depreciable (net):			
Buildings	-	11,789,113	11,789,113
Improvements other than buildings	-	257,498	257,498
Machinery and equipment	-	291,112	291,112
TOTAL ASSETS	<u>\$ 3,715,779</u>	<u>\$ 15,594,675</u>	<u>\$ 19,310,454</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 23,449	\$ 30,595	\$ 54,044
Accrued salaries and benefits payable	7,526	8,590	16,116
Deposits payable	-	92,396	92,396
Due to other governments	5	75,820	75,825
Unearned revenue	158,618	370	158,988
Accrued interest payable	-	236,767	236,767
Noncurrent liabilities:			
Due within one year	-	336,268	336,268
Due in more than one year	-	13,812,991	13,812,991
Total liabilities	<u>189,598</u>	<u>14,593,797</u>	<u>14,783,395</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	-	(477,696)	(477,696)
Restricted for:			
Debt Service	-	688,415	688,415
Affordable housing	21,037	-	21,037
Unrestricted	3,505,144	790,159	4,295,303
Total net assets	<u>3,526,181</u>	<u>1,000,878</u>	<u>4,527,059</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,715,779</u>	<u>\$ 15,594,675</u>	<u>\$ 19,310,454</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2009

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Public service	\$ 4,103,756	\$ -	\$ 3,485,460	\$ -
Business-type activities:				
Plymouth Towne Square	803,027	910,092	-	-
Vicksburg Crossing	1,248,908	1,014,456	-	-
Total business-type activities	<u>2,051,935</u>	<u>1,924,548</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 6,155,691</u>	<u>\$ 1,924,548</u>	<u>\$ 3,485,460</u>	<u>\$ -</u>

GENERAL REVENUES:
Property taxes
Unrestricted interest income
Other
Total general revenues

CHANGE IN NET ASSETS

NET ASSETS - BEGINNING

NET ASSETS - ENDING

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (618,296)	\$	\$ (618,296)
-	107,065	107,065
-	(234,452)	(234,452)
(618,296)	(127,387)	(745,683)
530,046	-	530,046
48,263	10,656	58,919
15,335	-	15,335
593,644	10,656	604,300
(24,652)	(116,731)	(141,383)
3,550,833	1,117,609	4,668,442
<u>\$ 3,526,181</u>	<u>\$ 1,000,878</u>	<u>\$ 4,527,059</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2009
(with comparative totals for December 31, 2008)

	General	Housing Assistance	Totals	
			2009	2008
<u>ASSETS</u>				
Cash and investments	\$ 1,755,873	\$ 643,087	\$ 2,398,960	\$ 2,205,801
Accounts receivable	-	37,052	37,052	21,700
Notes receivable	964,830	-	964,830	1,005,000
Taxes receivable	9,696	-	9,696	7,910
Accrued interest receivable	59,659	1,540	61,199	70,873
Prepaid expenses	-	244,042	244,042	262,009
TOTAL ASSETS	\$ 2,790,058	\$ 925,721	\$ 3,715,779	\$ 3,573,293
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 90	\$ 23,359	\$ 23,449	\$ 5,857
Accrued salaries and benefits payable	3,341	4,185	7,526	16,603
Due to other governments	-	5	5	-
Deferred revenue	1,027,474	191,779	1,219,253	1,091,660
Total liabilities	<u>1,030,905</u>	<u>219,328</u>	<u>1,250,233</u>	<u>1,114,120</u>
Fund balances:				
Reserved for:				
Affordable housing	21,037	-	21,037	20,555
Prepaid expenses	-	244,042	244,042	262,009
Unreserved, designated for housing and redevelopment projects	<u>1,738,116</u>	<u>462,351</u>	<u>2,200,467</u>	<u>2,176,609</u>
Total fund balances	<u>1,759,153</u>	<u>706,393</u>	<u>2,465,546</u>	<u>2,459,173</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,790,058	\$ 925,721	\$ 3,715,779	\$ 3,573,293

**HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2009**

FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 2,465,546

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

1. Deferred revenue in governmental funds is susceptible to full accrual on government-wide statements. 1,060,635

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 3,526,181

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2009
(with comparative totals for year ended December 31, 2008)

	<u>General</u>	<u>Housing Assistance</u>	<u>Totals</u>	
			<u>2009</u>	<u>2008</u>
REVENUES:				
General property taxes	\$ 527,916	\$ -	\$ 527,916	\$ 501,994
Intergovernmental	152,523	3,366,092	3,518,615	4,503,568
Contributions	-	-	-	30,000
Interest income	40,281	7,982	48,263	83,851
Other revenues	15,335	-	15,335	15,812
Total revenues	<u>736,055</u>	<u>3,374,074</u>	<u>4,110,129</u>	<u>5,135,225</u>
EXPENDITURES:				
Current:				
Public service	<u>664,630</u>	<u>3,439,126</u>	<u>4,103,756</u>	<u>4,969,730</u>
NET CHANGE IN FUND BALANCE	71,425	(65,052)	6,373	165,495
FUND BALANCES AT BEGINNING OF YEAR	<u>1,687,728</u>	<u>771,445</u>	<u>2,459,173</u>	<u>2,293,678</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,759,153</u>	<u>\$ 706,393</u>	<u>\$ 2,465,546</u>	<u>\$ 2,459,173</u>

**HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED DECEMBER 31, 2009**

NET INCREASE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	6,373
--	----	-------

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

1. Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds. (31,025)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$</u>	<u>(24,652)</u>
---	-----------	-----------------

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2009
(with comparative totals for year ended December 31, 2008)

	2009			Variance with Final Budget	2008
	Original Budget	Final Budget	Actual		Actual
REVENUES:					
General property taxes	\$ 539,430	\$ 539,430	\$ 527,916	\$ (11,514)	\$ 501,994
Intergovernmental	-	100,633	152,523	51,890	1,027,794
Contributions	-	-	-	-	30,000
Interest income	30,000	30,000	40,281	10,281	57,403
Other revenues	-	-	15,335	15,335	15,812
Total revenues	<u>569,430</u>	<u>670,063</u>	<u>736,055</u>	<u>65,992</u>	<u>1,633,003</u>
EXPENDITURES:					
Public service:					
Personal services	166,771	166,771	180,813	(14,042)	167,639
Materials and supplies	500	500	78	422	60
Contractual services:					
Housing assistance	347,812	347,812	316,299	31,513	308,438
Grant awards	2,000	102,633	141,553	(38,920)	1,017,565
Other	52,347	52,347	25,887	26,460	39,860
Total expenditures	<u>569,430</u>	<u>670,063</u>	<u>664,630</u>	<u>5,433</u>	<u>1,533,562</u>
NET CHANGE IN FUND BALANCE	-	-	71,425	71,425	99,441
FUND BALANCES AT BEGINNING OF YEAR	<u>1,687,728</u>	<u>1,687,728</u>	<u>1,687,728</u>	-	<u>1,588,287</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,687,728</u>	<u>\$ 1,687,728</u>	<u>\$ 1,759,153</u>	<u>\$ 71,425</u>	<u>\$ 1,687,728</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
HOUSING ASSISTANCE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2009
(with comparative totals for year ended December 31, 2008)

	2009		2008	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
REVENUES:				
Intergovernmental	\$ 3,583,846	\$ 3,366,092	\$ (217,754)	\$ 3,475,774
Interest income	16,000	7,982	(8,018)	26,448
Total revenues	<u>3,599,846</u>	<u>3,374,074</u>	<u>(225,772)</u>	<u>3,502,222</u>
EXPENDITURES:				
Public service:				
Personal services	224,666	211,323	13,343	198,182
Materials and supplies	500	484	16	397
Contractual services:				
Housing assistance	3,324,324	3,165,751	158,573	3,179,607
Other	63,091	61,568	1,523	57,982
Total expenditures	<u>3,612,581</u>	<u>3,439,126</u>	<u>173,455</u>	<u>3,436,168</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(12,735)</u>	<u>(65,052)</u>	<u>(52,317)</u>	<u>66,054</u>
OTHER FINANCING SOURCES:				
Transfers in	<u>12,735</u>	<u>-</u>	<u>(12,735)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	(65,052)	(65,052)	66,054
FUND BALANCES AT BEGINNING OF YEAR	<u>771,445</u>	<u>771,445</u>	-	<u>705,391</u>
FUND BALANCES AT END OF YEAR	<u>\$ 771,445</u>	<u>\$ 706,393</u>	<u>\$ (65,052)</u>	<u>\$ 771,445</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
DECEMBER 31, 2009
(with comparative totals for December 31, 2008)

	Plymouth	Vicksburg	Totals	
	Towne Square	Crossing	2009	2008
<u>ASSETS</u>				
Current assets:				
Cash and investments	\$ 905,196	\$ 874,231	\$ 1,779,427	\$ 1,632,960
Accounts receivable	1,008	100	1,108	2,241
Accrued interest receivable	1,933	1,630	3,563	7,042
Prepaid expenses	12,899	18,966	31,865	25,677
Total current assets	<u>921,036</u>	<u>894,927</u>	<u>1,815,963</u>	<u>1,667,920</u>
Noncurrent assets:				
Deferred charges	44,354	62,795	107,149	112,903
Capital assets:				
Land	459,247	874,593	1,333,840	1,333,840
Buildings	6,069,398	9,025,427	15,094,825	15,094,825
Improvements other than buildings	111,390	238,793	350,183	350,183
Machinery and equipment	258,796	353,668	612,464	607,941
Total capital assets	<u>6,898,831</u>	<u>10,492,481</u>	<u>17,391,312</u>	<u>17,386,789</u>
Less accumulated depreciation	<u>(2,583,580)</u>	<u>(1,136,169)</u>	<u>(3,719,749)</u>	<u>(3,155,200)</u>
Net capital assets	<u>4,315,251</u>	<u>9,356,312</u>	<u>13,671,563</u>	<u>14,231,589</u>
Total noncurrent assets	<u>4,359,605</u>	<u>9,419,107</u>	<u>13,778,712</u>	<u>14,344,492</u>
TOTAL ASSETS	<u>\$ 5,280,641</u>	<u>\$ 10,314,034</u>	<u>\$ 15,594,675</u>	<u>\$ 16,012,412</u>
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	\$ 15,481	\$ 15,114	\$ 30,595	\$ 98,065
Accrued salaries and benefits payable	5,524	3,066	8,590	8,173
Deposits payable	44,766	47,630	92,396	87,451
Due to other governments	29,370	46,450	75,820	-
Unearned revenue	-	370	370	515
Accrued interest payable	37,418	199,349	236,767	240,072
Revenue bonds payable	197,566	138,702	336,268	311,268
Total current liabilities	<u>330,125</u>	<u>450,681</u>	<u>780,806</u>	<u>745,544</u>
Noncurrent liabilities:				
Revenue bonds payable (net of unamortized discounts)	<u>3,457,953</u>	<u>10,355,038</u>	<u>13,812,991</u>	<u>14,149,259</u>
Total liabilities	<u>3,788,078</u>	<u>10,805,719</u>	<u>14,593,797</u>	<u>14,894,803</u>
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	659,732	(1,137,428)	(477,696)	(228,938)
Restricted for debt service	126,744	561,671	688,415	810,770
Unrestricted	706,087	84,072	790,159	535,777
Total net assets	<u>1,492,563</u>	<u>(491,685)</u>	<u>1,000,878</u>	<u>1,117,609</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,280,641</u>	<u>\$ 10,314,034</u>	<u>\$ 15,594,675</u>	<u>\$ 16,012,412</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET ASSETS
YEAR ENDED DECEMBER 31, 2009
(with comparative totals for year ended December 31, 2008)

	<u>Plymouth</u>	<u>Vicksburg</u>	<u>Totals</u>	
	<u>Towne Square</u>	<u>Crossing</u>	<u>2009</u>	<u>2008</u>
OPERATING REVENUES:				
Rental revenue	\$ 910,092	\$ 1,014,456	\$ 1,924,548	\$ 1,747,482
OPERATING EXPENSES:				
Personal services	97,480	97,052	194,532	211,666
Materials and supplies	22,966	15,003	37,969	33,483
Contractual services	325,498	288,635	614,133	697,991
Depreciation	197,397	368,672	566,069	565,032
Total operating expenses	<u>643,341</u>	<u>769,362</u>	<u>1,412,703</u>	<u>1,508,172</u>
OPERATING INCOME	<u>266,751</u>	<u>245,094</u>	<u>511,845</u>	<u>239,310</u>
NONOPERATING REVENUES (EXPENSES):				
Interest income	5,676	4,980	10,656	51,383
Gain on sale of asset	-	3,598	3,598	-
Amortization	(5,581)	(3,905)	(9,486)	(9,486)
Interest expense	<u>(154,105)</u>	<u>(479,239)</u>	<u>(633,344)</u>	<u>(642,217)</u>
Total nonoperating revenues (expenses)	<u>(154,010)</u>	<u>(474,566)</u>	<u>(628,576)</u>	<u>(600,320)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	112,741	(229,472)	(116,731)	(361,010)
TRANSFERS IN	-	-	-	227,033
TRANSFERS OUT	<u>-</u>	<u>-</u>	<u>-</u>	<u>(227,033)</u>
CHANGES IN NET ASSETS	112,741	(229,472)	(116,731)	(361,010)
NET ASSETS AT BEGINNING OF YEAR	<u>1,379,822</u>	<u>(262,213)</u>	<u>1,117,609</u>	<u>1,478,619</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,492,563</u>	<u>\$ (491,685)</u>	<u>\$ 1,000,878</u>	<u>\$ 1,117,609</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2009
(with comparative totals for year ended December 31, 2008)

	Plymouth Towne Square	Vicksburg Crossing	Totals	
			2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers or users	\$ 912,747	\$ 1,017,736	\$ 1,930,483	\$ 1,758,846
Payments to suppliers	(346,778)	(303,162)	(649,940)	(714,340)
Payments to employees	(97,235)	(96,880)	(194,115)	(213,221)
Net cash provided by operating activities	<u>468,734</u>	<u>617,694</u>	<u>1,086,428</u>	<u>831,285</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in from other funds	-	-	-	227,033
Transfers out to other funds	-	-	-	(227,033)
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(11,038)	-	(11,038)	(21,770)
Proceeds from sale of capital assets	-	8,593	8,593	-
Principal paid on capital debt	(190,000)	(125,000)	(315,000)	(185,000)
Interest paid on capital debt	(155,457)	(481,192)	(636,649)	(643,367)
Net cash used by capital and related financing activities	<u>(356,495)</u>	<u>(597,599)</u>	<u>(954,094)</u>	<u>(850,137)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income	<u>8,277</u>	<u>5,856</u>	<u>14,133</u>	<u>54,472</u>
INCREASE IN CASH AND CASH EQUIVALENTS	<u>120,516</u>	<u>25,951</u>	<u>146,467</u>	<u>35,620</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>784,680</u>	<u>848,280</u>	<u>1,632,960</u>	<u>1,597,340</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 905,196</u>	<u>\$ 874,231</u>	<u>\$ 1,779,427</u>	<u>\$ 1,632,960</u>

(Continued...)

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2009
(with comparative totals for year ended December 31, 2008)

(Continued from previous page)

	<u>Plymouth Towne Square</u>	<u>Vicksburg Crossing</u>	<u>Totals</u>	
			<u>2009</u>	<u>2008</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income	\$ 266,751	\$ 245,094	\$ 511,845	\$ 239,310
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	197,397	368,672	566,069	565,032
Changes in assets and liabilities:				
Accounts receivable	805	328	1,133	(1,135)
Prepaid expenses	468	(6,656)	(6,188)	(10,212)
Accounts payable	(28,150)	(39,318)	(67,468)	27,346
Accrued salaries payable	245	172	417	(1,555)
Due to other governments	29,370	46,450	75,820	-
Unearned revenue	-	(145)	(145)	515
Deposits payable	1,848	3,097	4,945	11,984
Total adjustments	<u>201,983</u>	<u>372,600</u>	<u>574,583</u>	<u>591,975</u>
Net cash provided by operating activities	<u>\$ 468,734</u>	<u>\$ 617,694</u>	<u>\$ 1,086,428</u>	<u>\$ 831,285</u>

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**CITY OF PLYMOUTH, MINNESOTA
STATISTICAL SECTION
(Unaudited)**

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	104
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property tax.	111
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	115
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	120
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	122

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement No. 34 in 2003 therefore tables presenting government-wide information include information beginning in that year.

CITY OF PLYMOUTH, MINNESOTA
NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Governmental activities							
Invested in capital assets, net of related debt	\$ 131,702	\$ 134,717	\$ 140,490	\$ 147,612	\$ 150,167	\$ 155,191	\$ 154,183
Restricted	17,864	15,397	15,338	17,533	4,772	5,324	5,615
Unrestricted	36,500	44,798	46,982	47,610	70,517	73,960	76,294
Total government activities net of assets	<u>\$ 186,066</u>	<u>\$ 194,912</u>	<u>\$ 202,810</u>	<u>\$ 212,755</u>	<u>\$ 225,456</u>	<u>\$ 234,475</u>	<u>\$ 236,092</u>
Business-type activities							
Invested in capital assets, net of related debt	\$ 54,900	\$ 65,713	\$ 83,108	\$ 89,696	\$ 91,541	\$ 91,502	\$ 92,630
Restricted	38,527	28,414	18,655	20,053	18,377	19,658	18,876
Unrestricted	17,569	23,886	18,901	16,719	17,241	16,054	15,756
Total business-type activities net assets	<u>\$ 110,996</u>	<u>\$ 118,013</u>	<u>\$ 120,664</u>	<u>\$ 126,468</u>	<u>\$ 127,159</u>	<u>\$ 127,214</u>	<u>\$ 127,262</u>
Primary government							
Invested in capital assets, net of related debt	\$ 186,602	\$ 200,430	\$ 223,598	\$ 237,308	\$ 241,708	\$ 246,693	\$ 246,813
Restricted	56,391	43,811	33,993	37,586	23,149	24,982	24,491
Unrestricted	54,069	68,684	65,883	64,329	87,758	90,014	92,050
Total primary government net assets	<u>\$ 297,062</u>	<u>\$ 312,925</u>	<u>\$ 323,474</u>	<u>\$ 339,223</u>	<u>\$ 352,615</u>	<u>\$ 361,689</u>	<u>\$ 363,354</u>

Note: Net assets are not available for years prior to 2003. The City will expand to ten years in future reports.

CITY OF PLYMOUTH, MINNESOTA
CHANGES IN NET ASSETS-CONTINUED ON FOLLOWING PAGE
LAST SEVEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Expenses							
Governmental activities:							
General government	\$ 4,811	\$ 4,897	\$ 4,905	\$ 5,172	\$ 8,268	\$ 5,398	\$ 4,979
Parks and recreation	6,058	6,530	6,634	6,932	7,694	7,914	7,498
Public safety	8,624	9,387	9,865	12,222	12,221	14,214	14,214
Public works	8,828	8,794	9,101	10,978	10,051	10,374	10,876
Public service	4,744	5,187	5,013	6,004	4,377	4,541	4,323
Interest on long-term debt	440	623	776	745	701	772	757
Total governmental activities expenses	<u>33,505</u>	<u>35,418</u>	<u>36,294</u>	<u>42,053</u>	<u>43,312</u>	<u>43,213</u>	<u>42,647</u>
Business-type activities:							
Water sewer utility	10,094	9,956	10,790	13,206	14,528	14,620	14,789
Ice center	1,060	1,129	1,650	1,602	1,700	1,761	1,623
Solid waste management	782	789	915	813	969	1,029	944
Water resources	1,379	1,600	1,862	1,942	1,714	1,922	2,086
Field house	299	291	302	305	307	299	293
Total business-type activities expenses	<u>13,614</u>	<u>13,765</u>	<u>15,519</u>	<u>17,868</u>	<u>19,218</u>	<u>19,631</u>	<u>19,736</u>
Total primary government expenses	<u>\$ 47,119</u>	<u>\$ 49,183</u>	<u>\$ 51,813</u>	<u>\$ 59,921</u>	<u>\$ 62,530</u>	<u>\$ 62,844</u>	<u>\$ 62,382</u>
Program Revenues							
Governmental activities:							
Charges for services:							
General government	\$ 2,824	\$ 2,807	\$ 2,999	\$ 3,441	\$ 3,731	\$ 3,588	\$ 333
Parks and recreation	1,137	1,096	1,111	1,172	1,280	1,451	1,312
Public safety	215	220	232	266	1,313	293	2,176
Public works	621	655	647	863	808	806	576
Public service	11	226	754	803	1,126	1,098	1,009
Operating grants and contributions	5,537	5,646	5,501	6,253	6,027	10,075	7,118
Capital grants and contributions	7,780	4,545	9,849	12,842	10,042	2,869	2,138
Total governmental activities program revenues	<u>\$ 18,125</u>	<u>\$ 15,195</u>	<u>\$ 21,093</u>	<u>\$ 25,640</u>	<u>\$ 24,327</u>	<u>\$ 20,180</u>	<u>\$ 14,662</u>

CITY OF PLYMOUTH, MINNESOTA
CHANGES IN NET ASSETS-CONTINUED
LAST SEVEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Business-type activities:							
Charges for services:							
Water sewer utility	\$ 8,878	\$ 9,023	\$ 9,611	\$ 10,404	\$ 11,830	\$ 12,276	\$ 13,089
Ice center	854	962	1,278	1,230	1,261	1,372	1,406
Solid waste management	810	1,004	1,073	917	1,072	1,296	411
Water resources	1,617	1,655	1,864	2,032	2,190	2,366	2,547
Field house	267	304	299	294	301	358	364
Operating grants and contributions	170	213	244	522	186	717	236
Capital grants and contributions	1,455	5,145	1,908	6,187	2,138	1,071	589
Total business-type activities program revenues	<u>14,051</u>	<u>18,306</u>	<u>16,277</u>	<u>21,586</u>	<u>18,978</u>	<u>19,456</u>	<u>18,642</u>
Total primary government program revenues	<u>\$ 32,176</u>	<u>\$ 33,501</u>	<u>\$ 37,370</u>	<u>\$ 47,226</u>	<u>\$ 43,305</u>	<u>\$ 39,636</u>	<u>\$ 33,304</u>
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Property taxes	\$ 17,787	\$ 19,051	\$ 21,134	\$ 23,357	\$ 26,086	\$ 27,543	\$ 29,057
Unrestricted investment earnings	1,429	1,559	1,547	3,018	3,962	2,881	732
Gain on sale of capital assets	97	653	140	138	10	59	102
Other	160	101	637	102	216	241	195
Transfers	13	(879)	(359)	(257)	1,411	1,328	(485)
Total governmental activities	<u>19,486</u>	<u>20,485</u>	<u>23,099</u>	<u>26,358</u>	<u>31,685</u>	<u>32,052</u>	<u>29,602</u>
Business-type activities:							
Unrestricted investment earnings	1,461	1,337	1,230	1,579	2,229	1,433	571
Gain on sale of capital assets	26	-	-	-	-	-	-
Other	319	259	304	250	113	125	85
Transfers	(13)	879	359	257	(1,411)	(1,328)	485
Total business-type activities	<u>1,793</u>	<u>2,475</u>	<u>1,893</u>	<u>2,086</u>	<u>931</u>	<u>230</u>	<u>1,142</u>
Total primary government	<u>\$ 21,279</u>	<u>\$ 22,960</u>	<u>\$ 24,992</u>	<u>\$ 28,444</u>	<u>\$ 32,616</u>	<u>\$ 32,282</u>	<u>\$ 30,743</u>
Change in Net Assets							
Governmental activities	\$ 4,106	\$ 262	\$ 7,898	\$ 9,945	\$ 12,700	\$ 9,019	\$ 1,617
Business-type activities	2,230	7,016	2,651	5,804	691	55	48
Total primary government	<u>\$ 6,336</u>	<u>\$ 7,278</u>	<u>\$ 10,549</u>	<u>\$ 15,749</u>	<u>\$ 13,391</u>	<u>\$ 9,074</u>	<u>\$ 1,665</u>

Note: Changes in net assets are not available for years prior to 2003. The City will expand to ten years in future reports.

CITY OF PLYMOUTH, MINNESOTA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST SEVEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Property Tax</u>
2003	17,787
2004	19,051
2005	21,134
2006	23,357
2007	26,086
2008	27,543
2009	29,057

Note: Tax revenues by source are not available for years prior to 2003. The City will expand to ten years in future reports.

CITY OF PLYMOUTH, MINNESOTA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year						
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General fund							
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 78	\$ 1,341	\$ 254
Unreserved	8,458	8,949	9,430	10,354	10,943	9,927	11,477
Total general fund	<u>\$ 8,458</u>	<u>\$ 8,949</u>	<u>\$ 9,430</u>	<u>\$ 10,354</u>	<u>\$ 11,021</u>	<u>\$ 11,268</u>	<u>\$ 11,731</u>
All other governmental funds							
Reserved	\$ 30,219	\$ 35,509	\$ 29,746	\$ 27,770	\$ 11,711	\$ 10,066	\$ 14,595
Unreserved, reported in:							
Special revenue funds	2,321	2,470	2,448	2,768	3,626	4,300	5,265
Capital project funds	8,370	4,408	7,095	8,899	27,924	30,819	30,467
Permanent fund	-	-	108	115	124	-	-
Total all other governmental funds	<u>40,910</u>	<u>42,387</u>	<u>39,397</u>	<u>39,552</u>	<u>43,385</u>	<u>45,185</u>	<u>50,327</u>
Total Governmental Funds	<u>\$ 49,368</u>	<u>\$ 51,336</u>	<u>\$ 48,827</u>	<u>\$ 49,906</u>	<u>\$ 54,406</u>	<u>\$ 56,453</u>	<u>\$ 62,058</u>

Note: Fund balances of government funds are not readily available for years prior to 2003. The City will expand to ten years in future reports.

CITY OF PLYMOUTH, MINNESOTA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Revenues							
General property taxes	\$ 17,818	\$ 19,002	\$ 21,115	\$ 23,299	\$ 26,030	\$ 27,465	\$ 29,037
Special assessments	127	369	201	172	152	134	128
Licenses and permits	2,643	2,632	2,726	3,138	3,420	3,828	2,272
Intergovernmental	9,054	6,287	9,921	8,019	10,824	8,099	7,687
Charges for current services	1,803	2,151	2,717	3,050	3,551	3,238	3,422
Fines and forfeitures	568	881	860	939	894	897	798
Contributions	1,489	838	1,241	1,424	633	705	92
Interest Income	1,139	1,230	1,212	2,221	2,852	2,095	568
Loan Repayments	-	-	-	-	-	-	5
Other revenue	444	199	733	445	459	278	227
Total Revenue	35,085	33,589	40,726	42,707	48,815	46,739	44,236
Expenditures							
General government	4,267	4,545	4,604	4,801	5,309	4,341	4,103
Parks and recreation	4,905	5,225	5,478	5,548	6,072	6,219	6,300
Public safety	8,625	8,945	9,697	10,718	11,655	13,222	13,511
Public works	3,258	3,204	3,472	3,159	4,099	4,294	4,155
Public service	4,511	4,308	4,777	4,596	4,362	4,452	4,449
Interest on interfund advances	8,606	91	82	72	62	51	39
Capital outlay	8,606	11,325	16,502	11,821	17,174	11,235	7,636
Debt service:							
Principal retirement	465	500	990	1,390	1,535	1,600	1,690
Bond issuance costs	-	-	-	-	30	-	49
Interest and fiscal charges	439	509	758	783	723	752	759
Total Expenditures	43,682	38,652	46,360	42,888	51,021	46,166	42,691
Excess of revenues over (under) expenditures	(8,597)	(5,063)	(5,634)	(181)	(2,206)	573	1,545
Other financing sources (uses)							
Transfers in	10,459	6,681	12,183	5,552	16,901	11,858	8,505
Transfers out	(9,685)	(7,860)	(9,115)	(4,292)	(12,945)	(10,384)	(8,449)
Bonds issued	5,715	7,480	1,370	-	2,715	-	3,935
Payment on refunded bonds	-	-	(1,300)	-	-	-	-
Premium (discount) on debt	10	98	(12)	-	(7)	-	69
Sale of capital assets	-	697	-	-	42	-	-
Total other financing sources (uses)	6,499	7,096	3,126	1,260	6,706	1,474	4,060
Net change in fund balances	\$ (2,098)	\$ 2,033	\$ (2,508)	\$ 1,079	\$ 4,500	\$ 2,047	\$ 5,605
Debt service as a percentage of noncapital expenditures	2.52%	3.58%	5.58%	6.24%	6.26%	6.63%	6.83%

Note: Changes in fund balances of governmental funds are not readily available for years prior to 2003. The City will expand to ten years in future reports.

CITY OF PLYMOUTH, MINNESOTA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST SEVEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Property Tax</u>
2003	17,818
2004	19,002
2005	21,115
2006	23,299
2007	26,030
2008	27,465
2009	29,037

Note: General governmental tax revenues by source are not available for years prior to 2003. The City will expand to ten years in future reports.

CITY OF PLYMOUTH, MINNESOTA
ASSESSED VALUE/TAX CAPACITY VALUE AND ESTIMATED MARKET VALUE
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Population	65,894	66,675	67,824	70,238	70,682	70,455	70,676	71,147	71,536	72,268
Real Property										
Assessed/tax capacity value	\$ 92,674	\$ 103,428	\$ 76,277	\$ 81,310	\$ 86,602	\$ 94,585	\$ 102,569	\$ 112,009	\$ 121,295	\$ 122,107
Estimated market value	\$ 4,863,052	\$ 5,421,670	\$ 6,187,584	\$ 6,844,156	\$ 7,375,678	\$ 8,053,678	\$ 8,690,753	\$ 9,440,899	\$ 10,041,803	\$ 10,012,350
Personal Property										
Assessed/tax capacity value	\$ 1,318	\$ 1,302	\$ 782	\$ 804	\$ 845	\$ 894	\$ 913	\$ 1,023	\$ 943	\$ 942
Estimated market value	\$ 38,835	\$ 38,373	\$ 39,306	\$ 40,441	\$ 42,517	\$ 44,940	\$ 45,985	\$ 51,652	\$ 47,578	\$ 47,640
Total Real and Personal Property										
Assessed/tax capacity value	\$ 93,992	\$ 104,730	\$ 77,059	\$ 82,114	\$ 87,447	\$ 95,479	\$ 103,482	\$ 113,032	\$ 122,238	\$ 123,048
Estimated market value	\$ 4,901,887	\$ 5,460,043	\$ 6,226,890	\$ 6,884,597	\$ 7,418,195	\$ 8,098,618	\$ 8,736,738	\$ 9,492,551	\$ 10,089,381	\$ 10,059,990
Total direct tax rate	\$ 15.44	\$ 14.48	\$ 24.66	\$ 24.20	\$ 23.92	\$ 23.81	\$ 23.75	\$ 23.75	\$ 23.35	\$ 24.86

Source: City Department of Community Development and Hennepin County.

**CITY OF PLYMOUTH, MINNESOTA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended December 31	City of Plymouth Rates			Overlapping Rates (1)								
	Operating	Housing & Redevelopment Authority	Total City Rate	Hennepin County Operating	Other Districts Operating	School Districts				Watershed Districts		
		Operating	Operating	Operating	Operating	Operating	Operating	Operating	Operating	Operating	Operating	Operating
2000	14.92	0.52	15.44	39.66	7.40	56.56	53.28	48.49	49.19	0.53	-	-
2001	13.99	0.49	14.48	37.62	7.13	44.22	56.86	46.68	46.39	1.36	-	-
2002	23.89	0.77	24.66	50.41	6.62	15.03	30.09	30.21	26.79	2.46	-	-
2003	23.46	0.74	24.20	50.61	7.02	20.59	35.04	29.18	23.26	1.24	-	-
2004	23.18	0.74	23.92	47.32	6.75	22.20	23.71	34.26	22.12	0.77	1.04	-
2005	23.13	0.68	23.81	44.17	6.70	19.18	24.34	29.99	20.71	1.28	0.34	-
2006	23.20	0.55	23.75	41.02	6.99	21.57	21.82	28.49	21.89	1.07	0.43	0.07
2007	23.28	0.47	23.75	39.11	7.31	19.02	23.76	28.75	20.25	1.12	0.12	-
2008	22.89	0.46	23.35	38.57	7.40	19.22	19.71	27.24	19.67	1.40	0.65	0.27
2009	24.37	0.49	24.86	40.41	7.15	20.08	21.03	27.21	20.41	1.49	0.54	0.05

Source: City Department of Administrative Services, Hennepin County, and School District records.

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Plymouth. Not all overlapping rates apply to all City of Plymouth property owners (e.g., only one school district will assess taxes to any one given property).

**CITY OF PLYMOUTH, MINNESOTA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(amounts expressed in thousands)**

Taxpayer	2009			2000		
	Tax Capacity Value	Rank	Percentage of Total Tax Capacity Value	Tax Capacity Value	Rank	Percentage of Total Taxable Assessed Value
Carlson Companies	\$ 2,292	1	1.88%	\$ 4,197	1	4.53%
St Paul Properties Inc	1,248	2	1.02%	1,429	3	1.54%
CSM Equities	1,224	3	1.00%	-	-	-
United Properties	963	4	0.79%	-	-	-
Plymouth Properties Realty	917	5	0.75%	-	-	-
Tallcott III Atria LLC	849	6	0.69%	-	-	-
Liberty Property, Ltd. Partnership	822	7	0.67%	1,379	4	1.49%
Bigos	695	8	0.57%	-	-	-
James Campbell Estate aka F E Trotter	670	9	0.55%	-	-	-
Park Place Portfolio	593	10	0.49%	708	9	0.76%
Prudential Insurance	-	-	-	2,606	2	2.81%
Sentinel Real Estate Corp.	-	-	-	1,366	5	1.47%
505 Waterford Corpotation	-	-	-	1,065	6	1.15%
Utah State Retirement Fund	-	-	-	844	7	0.91%
Westhealth Inc.	-	-	-	745	8	0.80%
Fingerhut Corporation	-	-	-	605	10	0.65%
	<u>\$ 10,273</u>		<u>8.41%</u>	<u>\$ 14,945</u>		<u>16.13%</u>

Source: MN Department of Employment and Economic Development.

CITY OF PLYMOUTH, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	16,073	16,001	99.55%	71	16,072	99.99%
2001	16,721	16,645	99.55%	75	16,720	99.99%
2002	18,311	18,234	99.58%	75	18,309	99.99%
2003	18,641	17,766	95.31%	117	17,883	95.93%
2004	19,813	19,010	95.95%	72	19,082	96.31%
2005	21,816	21,043	96.46%	153	21,196	97.16%
2006	23,765	23,030	96.91%	151	23,181	97.54%
2007	25,889	25,679	99.19%	170	25,849	99.85%
2008	27,485	26,960	98.09%	188	27,148	98.77%
2009	28,899	27,915	96.60%	-	27,915	96.60%

CITY OF PLYMOUTH, MINNESOTA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except per capita amount)

Fiscal Year Ended December 31	Governmental Activities			Business- Type Activities	Total Primary Government	Percentage of Personal Income (1)	Per Capita(1)
	General Obligation Bonds	Special Assessment Bonds	Tax Increment Financing Bonds	Water Revenue Bonds			
2000	6,260	1,710	2,900	575	11,445	0.48%	174
2001	5,910	1,300	2,900	295	10,405	0.43%	156
2002	5,545	900	2,900	-	9,345	0.38%	138
2003	7,980	3,740	2,875	-	14,595	0.57%	208
2004	15,050	3,680	2,845	13,140	34,715	1.36%	491
2005	13,180	3,300	4,175	12,090	32,745	1.26%	465
2006	12,405	2,730	4,130	11,375	30,640	1.17%	434
2007	14,210	2,160	4,075	10,650	31,095	1.18%	437
2008	13,270	1,575	4,000	9,905	28,750	1.11%	402
2009	13,740	980	6,370	9,145	30,235	1.15%	418

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics on page 120 for personal income and population data.

CITY OF PLYMOUTH, MINNESOTA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except per capita amount)

Fiscal Year Ended December 31	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property(1)	Per Capita(1)
2000	6,260	500	5,760	0.12%	87
2001	5,910	554	5,356	0.10%	80
2002	5,545	606	4,939	0.08%	73
2003	7,980	2,279	5,701	0.08%	81
2004	15,050	2,351	12,699	0.17%	180
2005	13,180	1,611	11,569	0.14%	164
2006	12,405	1,852	10,553	0.12%	149
2007	14,210	2,129	12,081	0.13%	170
2008	13,270	2,248	11,022	0.11%	154
2009	13,740	3,913	9,827	0.10%	136

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value/Tax Capacity Value and Estimated Market Value on page 111 for property value data and population.

**CITY OF PLYMOUTH, MINNESOTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2009
(amounts expressed in thousands)**

<u>Governmental Unit</u>	Debt Outstanding	Estimated Percentage Applicable *	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Hennepin County	\$ 960,135	6.9%	\$ 41,674
ISD #270 (Hopkins)	158,850	3.3%	5,133
ISD #279 (Osseo)	246,945	9.8%	17,653
ISD #281 (Robbinsdale)	195,245	23.0%	40,527
IDS #284 (Wayzata)	67,325	55.7%	32,007
Metropolitan Council	1,154,166	3.2%	4,212
Three Rivers Park District	85,660	9.4%	6,690
Hennepin County Regional Railroad Auth.	42,850	6.9%	2,945
Subtotal, overlapping debt			<u>150,841</u>
City of Plymouth direct debt			<u>21,090</u>
Total direct and overlapping debt			<u>\$ 171,931</u>

Source: Hennepin County, Minnesota

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City of Plymouth. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Plymouth. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

* The percentage applicable to the City of Plymouth was determined by dividing the portion of tax capacity within the City by the total tax capacity of the taxing jurisdiction.

**CITY OF PLYMOUTH, MINNESOTA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(amounts expressed in thousands)**

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$ 109,201	\$ 124,538	\$ 124,538	\$ 130,294	\$ 143,088	\$ 158,977	\$ 172,690	\$ 188,344	\$ 301,248	\$ 301,800
Total net debt applicable to limit	5,760	5,356	4,939	5,701	12,699	11,569	10,553	12,081	11,022	9,827
Legal debt margin	<u>\$ 103,441</u>	<u>\$ 119,182</u>	<u>\$ 119,599</u>	<u>\$ 124,593</u>	<u>\$ 130,389</u>	<u>\$ 147,408</u>	<u>\$ 162,137</u>	<u>\$ 176,263</u>	<u>\$ 290,226</u>	<u>\$ 291,973</u>
Total net debt applicable to the limit as a percentage of debt limit	5.27%	4.30%	3.97%	4.38%	8.87%	7.28%	6.11%	6.41%	3.66%	3.26%

Legal Debt Margin Calculation for Fiscal Year 2009

Estimated taxable market value	\$ 10,059,990
Debt limit (3% of total market value)	301,800
Debt applicable to limit:	
Activity Center/Field House Bonds	1,805
Street Reconstruction Bonds 2003B	775
Open Space Refunding Bonds 2003D	500
Capital Improvement Bonds 2004A	6,500
Open Spaces GO Bonds 2007A	2,715
Activity Center/Field House Refunding Bonds 2009 B	1,445
Less: Amount set aside for repayment of general obligation debt	(3,913)
Total net debt applicable to limit	<u>9,827</u>
Legal debt margin	<u>\$ 291,973</u>

Note: Under State of Minnesota law, the City of Plymouth's outstanding general obligation debt should not exceed 3 percent of the market value of taxable property. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for the extinguishment of those obligations.

CITY OF PLYMOUTH, MINNESOTA
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Fiscal Year Ended December 31	Water Revenue Bonds						Special Assessment Bonds				
	Water-Sewer Utility Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service			Special Assessment Collections	Debt Service			
				Principal	Interest	Coverage		Principal	Interest	Coverage	
2000	9,524	6,780	2,744	810	39	3.23	1,632	640	107	2.18	
2001	9,937	7,468	2,469	280	18	8.29	1,443	410	81	2.94	
2002	8,711	7,778	933	295	6	3.10	1,519	400	61	3.30	
2003	10,917	8,733	2,184	-	-	0.00	1,317	55	49	12.66	
2004	10,764	8,586	2,178	-	-	0.00	1,233	60	92	8.11	
2005	11,278	9,376	1,902	1,050	296	1.41	1,195	380	109	2.44	
2006	11,862	10,085	1,777	1,765	419	0.81	1,999	570	96	3.00	
2007	13,568	10,793	2,775	725	397	2.47	1,522	570	81	2.34	
2008	13,567	10,682	2,885	745	382	2.56	1,437	585	66	2.21	
2009	13,677	11,136	2,541	760	360	2.27	1,489	595	49	2.31	

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.

Gross Revenue includes operating revenue, investment income and non-operating revenues exclusive of connection fees plus operating transfers in for other funds' share of debt service requirements.

**CITY OF PLYMOUTH, MINNESOTA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u> (In Thousands)	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
	(A)		(B)	(C)	(D)
2000 (B)	65,894	2,392,545	36,309	53,924	2.0%
2001	66,675	2,420,903	36,309	53,077	2.7%
2002	67,824	2,462,622	36,309	52,993	4.2%
2003	70,238	2,550,272	36,309	52,952	3.2%
2004	70,682	2,566,393	36,309	52,506	3.0%
2005	70,455	2,558,151	36,309	52,047	3.1%
2006	70,676	2,566,175	36,309	53,102	2.9%
2007	71,147	2,583,276	36,309	53,251	3.7%
2008	71,536	2,597,401	36,309	51,262	6.4%
2009	72,268	2,623,979	36,309	51,215	6.0%

- Source:
- (A) Metropolitan Council estimate
 - (B) U.S. Census Bureau, data is available every 10 years.
 - (C) School district boundaries do not conform to city boundaries; enrollment totals include students from surrounding communities.
 - (D) Minnesota Department of Employment and Economic Development.

**CITY OF PLYMOUTH, MINNESOTA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2009			2000		
	Employees	Rank	Percentage of Total Plymouth Employment	Employees	Rank	Percentage of Total Plymouth Employment
Boston Scientific	3,000	1	7.64%	-	-	-
I.S.D. #284 (Wayzata)	1,760	2	4.48%	-	-	-
Carlson Companies	1,600	3	4.07%	-	-	-
Honeywell Inc.	1,377	4	3.50%	560	5	1.07%
Prudential Insurance Company	673	5	1.71%	3,500	1	6.66%
EV3, Inc.	561	6	1.43%	-	-	-
Select Comfort Corp	475	7	1.21%	475	9	0.90%
Nilfisk-Advance, Inc	399	8	1.02%	-	-	-
Turck, Inc.	358	9	0.91%	-	-	-
City of Plymouth	271	10	0.69%	-	-	-
Carlson Travel	-	-	-	1,150	2	2.19%
Carlson Marketing	-	-	-	1,000	3	1.90%
US West Communications	-	-	-	700	4	1.33%
ITT Insurance	-	-	-	500	6	0.95%
Value RX	-	-	-	500	7	0.95%
Schneider USA, Inc	-	-	-	480	8	0.91%
JT Food Service	-	-	-	300	10	0.57%
	<u>10,474</u>		<u>26.66%</u>	<u>9,165</u>		<u>17.43%</u>

Sources: Community Development department, 2009 Ehler's City of Plymouth study.

**CITY OF PLYMOUTH, MINNESOTA
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS**

Function	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
Administration	10	10	10	10	10	10	10	10	10	10
Assessing	6	6	6	6	6	6	6	6	6	6
Finance	15	15	15	15	15	15	15	15	15	14
Inspection	10	11	11	11	11	11	12	12	12	12
Planning	11	11	11	11	11	11	11	11	11	11
Information Technology	6	7	7	7	7	7	7	7	8	7
Parks										
Administration	4	4	4	4	4	5	5	5	5	5
Park Maintenance	22	24	24	24	25	25	25	25	26	26
Plymouth Creek		4	5	5	5	5	5	5	5	6
Ice Center	5	5	5	5	5	5	5	5	5	5
Public Safety										
Police- Sworn	60	60	61	61	65	67	67	69	70	70
Police - Civilian	16	16	16	16	16	16	16	16	17	16
Fire Prevention	2	2	2	2	2	2	2	2	2	2
Full Time Fire Fighters	2	4	5	5	6	7	7	7	7	6
Public Works										
Engineering	17	17	17	17	17	18	18	17	17	17
Streets	18	19	19	19	20	19	19	18	19	19
Central Equipment	4	4	4	4	4	4	4	4	4	4
Recycling Administration	1	1	1	1	1	1	1	1	1	1
Risk Management	1	1	1	1	1	1	1	1	1	1
Building Management	2	2	2	2	2	2	2	2	2	2
Public Service										
House and Development	5	5	6	6	6	6	6	6	6	6
Sewer/Water	17	18	18	20	21	21	21	23	23	23
Transit	1	1	1	1	1	2	2	2	2	2
	<u>235</u>	<u>247</u>	<u>251</u>	<u>253</u>	<u>261</u>	<u>266</u>	<u>267</u>	<u>269</u>	<u>274</u>	<u>271</u>

**CITY OF PLYMOUTH, MINNESOTA
OPERATING INDICATORS BY FUNCTION
LAST FOUR FISCAL YEARS**

	FISCAL YEAR			
	2006	2007	2008	2009
Police				
Medical calls	2,526	2,925	2,314	2,962
Traffic stops	17,156	16,647	17,418	15,131
Other	46,117	45,677	37,309	33,149
Fire				
Inspections	2,321	2,301	1,758	1,629
Fire calls - Residential	725	814	743	701
Fire calls - Structural	1,041	355	312	270
Fire calls - Other	311	343	290	278
Inspections				
Permit related	8,908	16,942	17,464	14,568
Non-permit related	24,422	7,332	10,940	7,627
Recreation				
Hours of ice time	7,851	7,054	6,612	6,801
Number of programs	1,721	1,818	1,862	1,908
Plymouth Creek Center rentals	4,083	4,053	3,838	3,757
Water				
Gallons of water production	3,540,616	3,609,790	3,399,495	3,524,110
Watermain breaks	59	88	54	43
Publicworks				
Snowplowing hours	1,348	1,730	1,954	2,179

(1) Fiscal year 2006 was the first year of implementing GASB Statement No. 44.

**CITY OF PLYMOUTH, MINNESOTA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	16	16	16	15	17	17	17	21	25	38
Fire stations	3	3	3	3	3	3	3	3	3	3
Public works										
Trunk highways (miles)	20	20	20	20	20	20	20	20	20	20
Paved - County (miles)	28	26	24	24	24	24	28	28	28	26
Other streets & alleys (miles)	263	268	277	277	276	277	283	284	287	287
Sidewalks (miles)	9	9	9	9	9	9	9	9	11	11
Streetlights	2,592	2,651	2,678	2,694	2,694	2,694	2,910	2,910	2,973	3,039
Parks and recreation										
Acreage	868	868	900	1,000	1,000	1,000	1,000	1,200	1,273	1,273
Number of parks and playgrounds	39	40	42	45	45	45	45	49	49	50
Trails (miles)	83	84	90	90	100	100	110	110	136	136
Community center		1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	307	315	320	322	322	326	350	352	353	353
Fire hydrants:										
Private	1,741	1,801	1,809	1,505	1,538	1,514	1,545	1,545	1,562	1,569
Public	3,665	3,797	3,896	4,202	4,092	4,133	4,297	4,333	4,345	4,429
Wastewater										
Sanitary sewer (miles)	281	288	293	294	296	297	307	309	309	309
Storm sewer (miles)	111	118	123	124	126	127	129	133	134	134

Sources: Various city departments.

Note: No capital asset indicators are available for the general government function.