



City of Plymouth



2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2016 | City of Plymouth, Minnesota



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

**For The Year Ended
December 31, 2016**

Dave Callister – 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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INTRODUCTORY SECTION

**CITY OF PLYMOUTH, MINNESOTA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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June 30, 2017

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, 2016.

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 was 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, 2016, 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 unmodified opinion that the City of Plymouth's financial statements for the fiscal year ended December 31, 2016, 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 units. The Plymouth Housing and Redevelopment Authority (HRA) is included as a discretely presented component unit. The Plymouth Economic Development Authority (EDA) was created in 2016. The EDA is included as a blended component unit, however, there was no financial activity during the year.

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 75,000 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.

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's population grew substantially during the 1980s and 1990s, increasing by 61%. Plymouth's population increased 29% from 1990 to 2000; 7% from 2000 to 2010 and 6% from 2010 to 2016. As of 2016 the population is 74,967. 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 2016, 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.

Since 2008, the City has been preparing biennial budgets requiring significant planning and scenario-building to ensure a workable operating budget under changing economic conditions. In July of 2016, the city reviewed and updated the second year (2017) of this document following the outcomes of legislative adjustments and performed a review of revenue and expenditure patterns for the most recent activity trends.

Although current external economic conditions are challenging, Plymouth’s continued growth and sound financial condition, as reflected in the following financial report, place the city in an enviable position.

The payable 2016 total estimated market value of the City was \$10,040,953,100 an increase of \$460,618,300 from 2015. The increase in total market value between payable 2015 and payable 2016 was 4.8%, trending more favorably than last year.

Commercial and residential growth is increasing as development expands to the northwest area of the City and as commercial properties redevelop.

Source: Metropolitan Council

| 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 |
| 2010 | 70,576 | 28,663 | 46,227 |
| 2020 | 75,400 | 31,200 | 53,900 |
| 2030 | 80,200 | 33,000 | 57,700 |
| 2040 | 83,600 | 34,200 | 61,500 |

** Population figures through 2010 are based on census reporting.

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 40% 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.

The City continues to rely on its Comprehensive Plan, a long-term planning document that guides the community’s future development and redevelopment.

Upon implementation of the new utility billing software in 2015, the City embarked on the second phase of the conversion in 2016 providing technology driven improvements allowing additional billing and payment options to residents. On-line billing and payments will be made available to residents mid-year of 2017. The entire utility billing project has reduced administrative burdens, provided enhanced system security, improved reporting functionality, and increased overall billing accuracy.

In addition, the City continued to focus on long-term planning. One of the tools that was implemented in 2015, is the 10-year financial plan. This forecast provides the City the ability to be proactive in its approach to different economic factors and provides stability in the levy. For 2016, staff continued to update and monitor the plan and integrated the tool into the budget process.

Plymouth is continually evaluating its position to ensure 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 assignments of fund balance. The budget, as adopted, can be revised by the City Council and a contingency appropriation is provided for.

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, 2015. This was the 34th 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



Government Finance Officers Association

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

Presented to

**City of Plymouth
Minnesota**

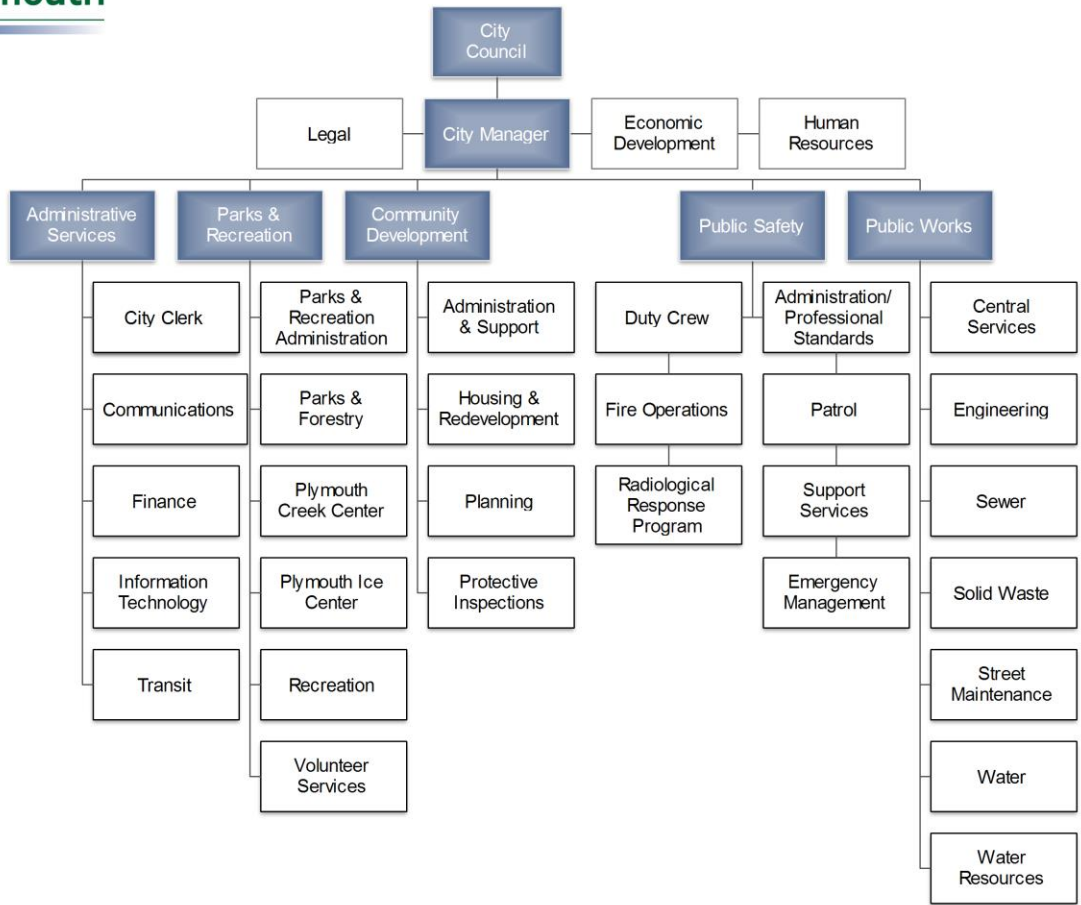
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO



2016 Organizational Chart



**City of Plymouth
LISTING OF CITY OFFICIALS
at December 31, 2016**

Elected Officials

| | <u>Ward</u> | <u>Term of Office</u> | <u>Term Expires</u> |
|----------------------------|-------------|-----------------------|---------------------|
| Mayor Kelli Slavik | | Four Years | 12-31-18 |
| Councilmember Judy Johnson | 1 | Four Years | 12-31-16 |
| Councilmember Jeffry Wosje | 2 | Four Years | 12-31-18 |
| Councilmember Marge Beard | 3 | Four Years | 12-31-16 |
| Councilmember Jim Prom | 4 | Four Years | 12-31-18 |
| Councilmember Ned Carroll | At-Large | Four Years | 12-31-18 |
| Councilmember Jim Willis | At-Large | Four Years | 12-31-16 |

City Officials and Department Directors

| | |
|-------------------------------------|-----------------|
| City Manager | Dave Callister |
| Director of Administrative Services | Luke Fischer |
| Director of Community Development | Steve Juetten |
| Director of Parks and Recreation | Diane Evans |
| Director of Public Works | Doran Cote |
| Director of Public Safety | Mike Goldstein |
| Fire Chief | Rodger Coppa |
| City Clerk | Sandy Engdahl |
| City Attorney | Roger Knutson |
| City Assessor | Hennepin County |

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FINANCIAL SECTION



PRINCIPALS

Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA/CMA

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management
City of Plymouth, Minnesota

REPORT ON THE FINANCIAL STATEMENTS

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, Minnesota (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

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

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

(continued)

OPINIONS

In our opinion, the financial statements referred to on the previous page 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund and the major special revenue fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, supplementary information, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

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

(continued)

Prior Year Comparative Information

We have previously audited the City's 2015 financial statements, and we expressed unmodified audit 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 in our report dated June 10, 2016. In our opinion, the partial comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2017 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota
June 9, 2017

City of Plymouth, Minnesota
For the Year Ended December 31, 2016
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, 2016. 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 2016, the City of Plymouth's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$457.8 million (*net position*). Net position consisted of:
 - \$45.2 million (9.9% of total net position) restricted for specific purposes
 - \$344.7 million (75.3% of total net position) 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
 - \$67.9 million (14.8% of total net position) are unrestricted and are available to meet the City's obligations consistent with City policy, legislative intent and direction of the City Council.
- Governmental activities recognized an increase in net position of \$14.9 million and business-type activities resulted in an increase of \$6.1 million. Overall, the City's net position increased by \$21.0 million in 2016. Permit revenue increased significantly due to elevated development activity throughout the city; along with increased capital project construction activity, cost savings from personnel attrition and overall restraint on spending resulted in an increase of \$21.0 million to the net position.
- The City's governmental funds reported combined ending fund balances of approximately \$70.1 million. Unlike net position, governmental fund balance measures only currently available, spendable resources. Approximately \$134 thousand of total governmental fund balances are nonspendable such as inventory, prepaid items, advances to other funds and principal of the Cemetery Perpetual Care fund. The city's restricted fund balance is approximately \$20.4 million for specific purposes that are subject to external legal restrictions such as debt service and other restrictive uses. The remainder fund balance of \$49.5 million is comprised of \$34.7 million of assigned fund balance for purposes such as construction of long-term assets or other desired uses and \$14.8 million is unassigned.
- The City's main operating fund, the General Fund, reported a year-end balance of approximately \$15.1 million. The General Fund's balance represents approximately 40% of subsequent year annual budgeted spending in this fund. Fund balance in the General Fund increased \$479 thousand during the year.
- The City's total governmental activity bonded debt decreased by approximately \$995 thousand, or 7.2% from the prior-year. This debt represents a very modest ratio of only 4.2% of governmental net position. The City's restricted resources for governmental debt service are approximately \$2.2 million which represents approximately 17.0% of governmental debt outstanding at year-end. The City's business-type activity bonded debt decreased \$935 thousand. Net revenues of the Water Sewer Utility are pledged for the debt service of the business-type activities.

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

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

Both of the government-wide financial statements distinguish functions of the City 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, economic development, parks and recreation, public safety, public service, and public works. Business-type activities are primarily financed through user-charges or fees. The business-type activities of the City of Plymouth include the water sewer utility, ice center, water resources, solid waste management and field house.

The government-wide financial statements can be found on pages 13-15 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 governments 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 18-26 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, liabilities, and deferred outflows/inflows 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 sewer utility, ice center, water resources, solid waste management 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 central equipment, public facilities, information technology, risk management, employee benefits and resource planning functions. Most of the costs allocated through internal service funds benefit the government activities 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 28-37 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 39 - 74 of this report.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Plymouth, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$458 million at the end of fiscal year 2016. A portion of the City of Plymouth's net position (75.3%) 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 Position | | | | | | |
| <i>(amounts in thousands of dollars)</i> | | | | | | |
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Assets: | | | | | | |
| Current and other assets | \$ 122,783 | \$ 130,498 | \$ 31,798 | \$ 35,103 | \$ 154,581 | \$ 165,601 |
| Capital assets net of accumulated depreciation | 236,809 | 207,180 | 124,382 | 114,116 | 361,191 | 321,296 |
| Total assets | <u>359,592</u> | <u>337,678</u> | <u>156,180</u> | <u>149,219</u> | <u>515,772</u> | <u>486,897</u> |
| Deferred Outflows of Resources: | | | | | | |
| Pension plan deferments | 27,720 | 3,734 | - | - | 27,720 | 3,734 |
| Total assets and deferred outflows of resources | <u>\$ 387,312</u> | <u>\$ 341,412</u> | <u>\$ 156,180</u> | <u>\$ 149,219</u> | <u>\$ 543,492</u> | <u>\$ 490,631</u> |
| Liabilities: | | | | | | |
| Current and other liabilities | \$ 11,343 | \$ 8,678 | \$ 3,699 | \$ 1,881 | \$ 15,042 | \$ 10,559 |
| Long-term liabilities | 62,176 | 36,341 | 3,210 | 4,176 | 65,386 | 40,517 |
| Total liabilities | <u>73,519</u> | <u>45,019</u> | <u>6,909</u> | <u>6,057</u> | <u>80,428</u> | <u>51,076</u> |
| Deferred Inflows of Resources: | | | | | | |
| Pension plan deferments | 5,288 | 2,766 | - | - | 5,288 | 2,766 |
| Net Position: | | | | | | |
| Net investment in capital assets | 223,538 | 192,834 | 121,172 | 109,940 | 344,710 | 302,774 |
| Restricted net position | 25,313 | 24,401 | 19,850 | 24,095 | 45,163 | 48,496 |
| Unrestricted net position | 59,654 | 76,392 | 8,249 | 9,127 | 67,903 | 85,519 |
| Total net position | <u>308,505</u> | <u>293,627</u> | <u>149,271</u> | <u>143,162</u> | <u>457,776</u> | <u>436,789</u> |
| Total liabilities, deferred inflows of resources, and net position | <u>\$ 387,312</u> | <u>\$ 341,412</u> | <u>\$ 156,180</u> | <u>\$ 149,219</u> | <u>\$ 543,492</u> | <u>\$ 490,631</u> |

A portion of the City of Plymouth’s net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$67.9 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 position, both for the government as a whole, as well as for its separate governmental and business-type activities. The net investment in capital assets increased due to significant capital asset activity using City resources.

- **Governmental activities** – Governmental activities increased the City of Plymouth’s net position by approximately \$14.9 million or 5.1%. Several factors contributed to this increase include additional capital construction, elevated development activity throughout the city resulting in significant increase in permit revenue, increased market value of investment, and significant cost savings from personnel attrition and overall restraint on spending.
- **Business-type activities** – The net position of business-type activities increased by \$6.1 million or 4.3%. The change in net position is the result of a positive increase from operations.

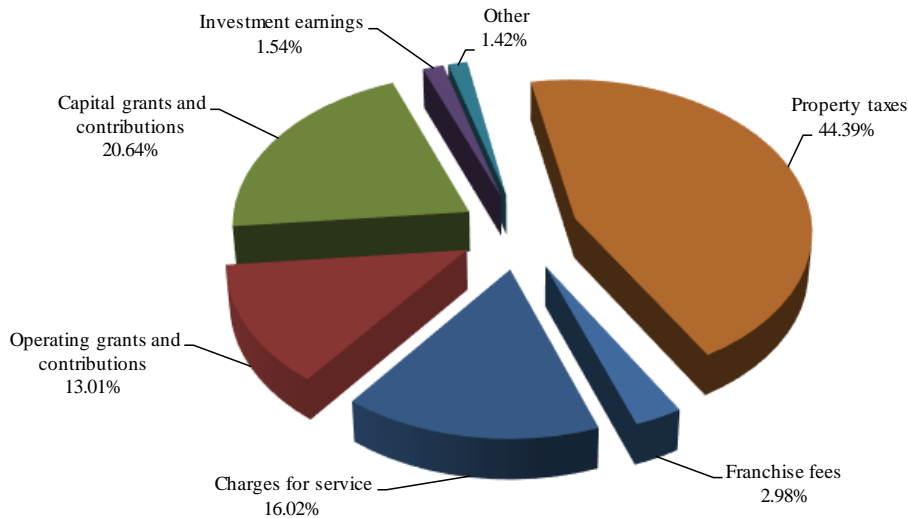
The following table indicates the changes in net position for the City’s governmental and business-type activities:

| City of Plymouth, Minnesota | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Changes in Net Position | | | | | | |
| <i>(amounts in thousands of dollars)</i> | | | | | | |
| | Governmental | | Business-type | | Total | |
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for service | \$ 11,613 | \$ 10,552 | \$ 20,939 | \$ 20,645 | \$ 32,552 | \$ 31,197 |
| Operating grants and contributions | 9,434 | 9,393 | 629 | 378 | 10,063 | 9,771 |
| Capital grants and contributions | 14,970 | 9,871 | 6,200 | 1,987 | 21,170 | 11,858 |
| General revenues: | | | | | | |
| Property taxes | 32,191 | 31,108 | - | - | 32,191 | 31,108 |
| Franchise fees | 2,164 | 2,631 | - | - | 2,164 | 2,631 |
| Investment earnings | 1,116 | 1,644 | 616 | 676 | 1,732 | 2,320 |
| Gain on sale of capital assets | 39 | 83 | - | - | 39 | 83 |
| Other | 993 | 432 | - | - | 993 | 432 |
| Total revenues | <u>72,520</u> | <u>65,714</u> | <u>28,384</u> | <u>23,686</u> | <u>100,904</u> | <u>89,400</u> |
| Expenses: | | | | | | |
| General government | 7,742 | 5,836 | - | - | 7,742 | 5,836 |
| Economic development | 724 | 679 | - | - | 724 | 679 |
| Parks and recreation | 9,216 | 8,833 | - | - | 9,216 | 8,833 |
| Public safety | 22,203 | 16,815 | - | - | 22,203 | 16,815 |
| Public service | 4,669 | 4,410 | - | - | 4,669 | 4,410 |
| Public works | 12,253 | 13,610 | - | - | 12,253 | 13,610 |
| Water sewer utility | - | - | 16,869 | 17,384 | 16,869 | 17,384 |
| Ice center | - | - | 1,906 | 1,717 | 1,906 | 1,717 |
| Water resources | - | - | 2,660 | 2,751 | 2,660 | 2,751 |
| Solid waste management | - | - | 1,082 | 1,060 | 1,082 | 1,060 |
| Field house | - | - | 292 | 284 | 292 | 284 |
| Interest on long-term debt | 301 | 553 | - | - | 301 | 553 |
| Total expenses | <u>57,108</u> | <u>50,736</u> | <u>22,809</u> | <u>23,196</u> | <u>79,917</u> | <u>73,932</u> |
| Change in Net Position Before Transfers | 15,412 | 14,978 | 5,575 | 490 | 20,987 | 15,468 |
| Transfers in (out) | (534) | (299) | 534 | 299 | - | - |
| Change in Net Position | <u>14,878</u> | <u>14,679</u> | <u>6,109</u> | <u>789</u> | <u>20,987</u> | <u>15,468</u> |
| Net Position at Beginning of Year | <u>293,627</u> | <u>278,948</u> | <u>143,162</u> | <u>142,373</u> | <u>436,789</u> | <u>421,321</u> |
| Net Position at End of Year | <u>\$ 308,505</u> | <u>\$ 293,627</u> | <u>\$ 149,271</u> | <u>\$ 143,162</u> | <u>\$ 457,776</u> | <u>\$ 436,789</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. The City experienced increased capital grants and contributions during the year due to infrastructure construction funded by municipal construction State aid.

Business-type Activities

The City’s Business-type activities provide water sewer utility, ice center, water resources, solid waste management, and field house 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 \$124.4 million in 2016; which is approximately 79.6% of total business-type assets.

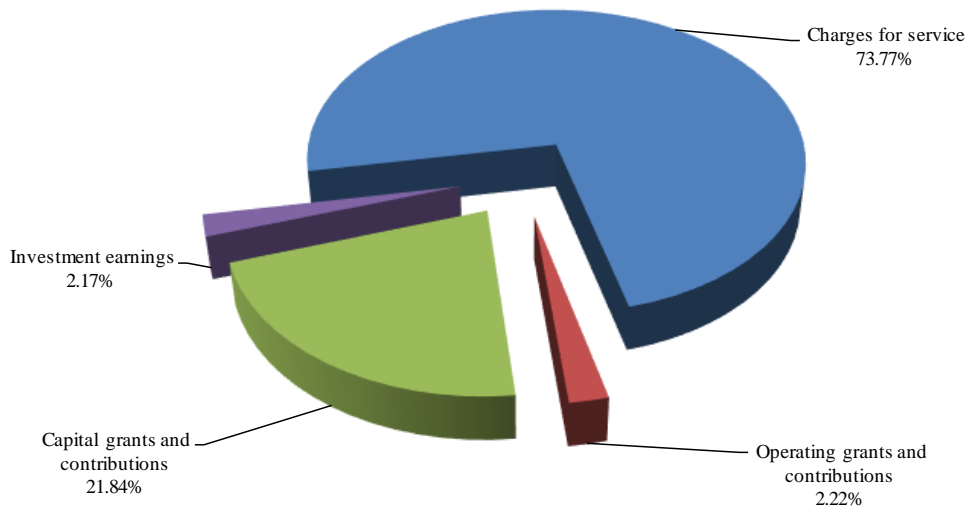
The principal challenge for the City’s business activities is financing the replacement, maintenance, and expansion of their capital assets (asset maintenance). The City of Plymouth combines operating and non-operating sources (primarily area-wide assessments) to finance its investment in business-type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

Operating income starts with revenues generated by charges for sales and service. As of December 31, 2016, there were 22,996 water and/or sewer customers. The water and sewer utility represented approximately 73.1% of total business-type charges for service revenue in 2016. 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, in total, before depreciation, although it is not enough to fully offset or fund depreciation on capital assets.

In 2016, the City reported positive operating income, in total, excluding depreciation, of approximately \$2.9 million. After depreciation, the City reported an operating loss of approximately \$1.8 million. After considering remaining increases and decreases to net position, business-type activities reported an increase of \$6.1 million.

The following chart 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, *unassigned 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 total fund balance of approximately 40% of the General Fund expenditure and transfers out budget for the following year. The City met this goal in 2016; the fund balance at year-end was \$15.1 million, or 40% of 2017 budgeted expenditures and transfers out.

Transit System Fund-

- In the Transit System Fund, the fund balance increased by \$826 thousand. This increase is primarily due to an increase in the City's proportionate share of motor vehicle tax.

General Capital Projects Fund-

- The fund balance decreased in the General Capital Projects Fund by \$2.8 million during the year. This decrease is due to the timing and review of capital projects completed throughout the current year for construction of the City's buildings and park improvements.

Improvement Projects Fund-

- The fund balance decreased in the Improvement Projects Fund by \$4.0 million during the year. This decrease is due to the timing and review of capital projects completed throughout the current year for construction of streets and other infrastructure improvements.

Of the total governmental funds fund balance of \$70.1 million, \$134 thousand is nonspendable, \$20.4 million is restricted for specific uses based on external regulations, \$34.7 million is assigned internally for specific uses and \$14.8 is unassigned.

Proprietary Funds – The City of Plymouth’s *proprietary funds* provide the same type of information found in the government-wide financial statements, but in more detail.

Water Sewer Utility Fund-

- Unrestricted net position at the end of the year was \$8.2 million. The total increase in net position was \$4.0 million.

Ice Center Fund-

- Unrestricted net position at the end of the year was a deficit \$433 thousand. The total decrease in net position was \$148 thousand.

Water Resources Fund-

- Restricted net position at the end of the year was \$3.0 million. The total increase in net position was \$2.7 million.

Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Plymouth’s business-type activities.

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 2016 General Fund budget anticipated an expenditure increase over 2015 budget of 0.1%. This increase included planned wage and benefit adjustments and inflationary adjustments.

General Fund revenues and other financing sources exceeded budget estimates by \$1.9 million during the year. Contributing factors for this increase included additional license and permit revenue due to elevated development activity and increased state grants and aids.

General Fund expenditures were under budget estimates by \$406 thousand due to decreases in personal costs due to attrition and cost restraints shared by all departments. Other financing uses exceeded budget by \$1.8 million. The primary reason for this overage was that the net positive year-end position allowed the General Fund to make unplanned transfers of \$1.8 million to the General Capital Projects fund for future improvement projects.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The City's total investment in long-term (capital) assets, net of accumulated depreciation totaled \$361.2 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>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| Land | \$ 42,511 | \$ 42,053 | \$ 3,280 | \$ 3,280 | \$ 45,791 | \$ 45,333 |
| Construction in progress | 44,863 | 25,651 | 6,687 | 850 | 51,550 | 26,501 |
| Buildings | 22,984 | 23,799 | 29,302 | 30,805 | 52,286 | 54,604 |
| Improvements other than buildings | 13,154 | 12,685 | 3,475 | 3,728 | 16,629 | 16,413 |
| Machinery and equipment | 15,913 | 14,834 | 2,989 | 3,497 | 18,902 | 18,331 |
| Infrastructure | 97,384 | 88,158 | 78,649 | 71,956 | 176,033 | 160,114 |
| Total capital assets | <u>\$ 236,809</u> | <u>\$ 207,180</u> | <u>\$ 124,382</u> | <u>\$ 114,116</u> | <u>\$ 361,191</u> | <u>\$ 321,296</u> |

See footnote 4, pages 52-54, 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 \$15.9 million at year-end, compared to \$17.8 million at the beginning of the year. During the year, the City made regular debt service payments of \$995 thousand on governmental activity bonds and \$935 thousand on business-type activity bonds.

The City's debt holds the highest rating from Moody's Investors Services: Aaa, as well as from Standard and Poor's Ratings Services: AAA. The dual rating placed City of Plymouth among only six other cities in the state to receive this distinction.

See footnote 5, pages 55-57, 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 2017 budget was conservatively developed to account for economic and legislative activity. It provides for a balanced budget and a sound financial plan for 2017 that maintains core service levels and is sensitive to the financial concerns of Plymouth taxpayers. The tax levy increased 4.9% from 2016.

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.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are intended to provide a financial overview of municipal operations.

**CITY OF PLYMOUTH, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2016**

| | Primary Government | | | Component Unit |
|--|--------------------------------|---------------------------------|-----------------------|--|
| | Governmental Activities | Business-type Activities | Total | Housing and Redevelopment Authority |
| ASSETS | | | | |
| Cash and investments | \$ 109,485,740 | \$ 26,026,268 | \$ 135,512,008 | \$ 5,640,417 |
| Accounts receivable | 1,140,013 | 3,589,699 | 4,729,712 | 85,414 |
| Notes receivable | 2,194,511 | - | 2,194,511 | 1,118,626 |
| Taxes receivable | 456,386 | - | 456,386 | 8,163 |
| Special assessments receivable | 74,152 | 5,292,102 | 5,366,254 | - |
| Accrued interest receivable | 606,173 | 113,820 | 719,993 | 120,009 |
| Due from other governments | 1,224,254 | 96,947 | 1,321,201 | 5,803 |
| Internal balances | 3,897,912 | (3,897,912) | - | - |
| Inventory | 124,105 | 62,756 | 186,861 | - |
| Prepaid items | 697,765 | 514,893 | 1,212,658 | 264,376 |
| Net pension asset - fire relief | 2,882,516 | - | 2,882,516 | - |
| Capital assets - nondepreciable | 87,374,071 | 9,966,578 | 97,340,649 | 1,363,039 |
| Capital assets - depreciable (net): | 149,434,775 | 114,415,049 | 263,849,824 | 8,849,869 |
| Total capital assets | <u>236,808,846</u> | <u>124,381,627</u> | <u>361,190,473</u> | <u>10,212,908</u> |
| Total assets | <u>359,592,373</u> | <u>156,180,200</u> | <u>515,772,573</u> | <u>17,455,716</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Pension plan deferments - PERA | 27,455,435 | - | 27,455,435 | - |
| Pension plan deferments - fire relief | 264,772 | - | 264,772 | - |
| Total deferred outflows of resources | <u>27,720,207</u> | <u>-</u> | <u>27,720,207</u> | <u>-</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u>\$ 387,312,580</u> | <u>\$ 156,180,200</u> | <u>\$ 543,492,780</u> | <u>\$ 17,455,716</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 2,742,826 | \$ 542,643 | \$ 3,285,469 | \$ 39,660 |
| Contracts payable | 2,851,400 | 2,282,184 | 5,133,584 | - |
| Accrued salaries and benefits payable | 948,161 | 133,048 | 1,081,209 | 21,529 |
| Deposits payable | 3,217,317 | - | 3,217,317 | 145,748 |
| Due to other governments | 570,380 | 350,327 | 920,707 | 92,841 |
| Unearned revenue | 850,993 | 353,669 | 1,204,662 | 16,300 |
| Accrued interest payable | 161,443 | 37,000 | 198,443 | 120,047 |
| Noncurrent liabilities: | | | | |
| Due within one year | 2,925,201 | 965,000 | 3,890,201 | 697,126 |
| Due in more than one year | 59,251,160 | 2,245,128 | 61,496,288 | 11,205,231 |
| Total liabilities | <u>73,518,881</u> | <u>6,908,999</u> | <u>80,427,880</u> | <u>12,338,482</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Pension plan deferments - PERA | 5,187,186 | - | 5,187,186 | - |
| Pension plan deferments - fire relief | 101,167 | - | 101,167 | - |
| Housing assistance received for subsequent years | - | - | - | 138,536 |
| Total deferred inflows of resources | <u>5,288,353</u> | <u>-</u> | <u>5,288,353</u> | <u>138,536</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 223,538,088 | 121,171,499 | 344,709,587 | 508,802 |
| Restricted for: | | | | |
| Transit | 7,222,030 | - | 7,222,030 | - |
| Lawful Gambling | 13,806 | - | 13,806 | - |
| Debt Service | 2,194,718 | - | 2,194,718 | 2,045,049 |
| Housing Projects | 1,142,141 | - | 1,142,141 | 4,978,698 |
| Highway/Street Improvements | 2,838,794 | - | 2,838,794 | - |
| Park Construction | 4,889,703 | - | 4,889,703 | - |
| Tax Increment | 3,774,534 | - | 3,774,534 | - |
| Cemetery perpetual care: | | | | |
| Non-expendable | 45,860 | - | 45,860 | - |
| Expendable | 145,388 | - | 145,388 | - |
| Utility trunk | - | 16,805,246 | 16,805,246 | - |
| Water resources | - | 3,045,255 | 3,045,255 | - |
| Fire relief pensions | 3,046,121 | - | 3,046,121 | - |
| Unrestricted | 59,654,163 | 8,249,201 | 67,903,364 | - |
| Total net position | <u>308,505,346</u> | <u>149,271,201</u> | <u>457,776,547</u> | <u>7,532,549</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | <u>\$ 387,312,580</u> | <u>\$ 156,180,200</u> | <u>\$ 543,492,780</u> | <u>\$ 20,009,567</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, 2016**

| <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 | \$ 7,741,891 | \$ 1,470,474 | \$ 1,188,209 | \$ 60,876 |
| Economic development | 723,738 | - | 1,692 | - |
| Parks and recreation | 9,216,136 | 1,988,653 | 14,566 | 2,630,252 |
| Public safety | 22,203,331 | 4,433,961 | 2,246,644 | - |
| Public service | 4,668,556 | 1,019,456 | 4,441,223 | - |
| Public works | 12,253,073 | 2,700,653 | 1,541,316 | 12,279,150 |
| Interest on long-term debt | 300,931 | - | - | - |
| Total governmental activities | <u>57,107,656</u> | <u>11,613,197</u> | <u>9,433,650</u> | <u>14,970,278</u> |
| Business-type activities: | | | | |
| Water sewer utility | 16,868,726 | 15,314,233 | 32,915 | 4,492,637 |
| Ice center | 1,906,207 | 1,607,788 | 90,265 | - |
| Water resources | 2,660,079 | 3,045,355 | 282,895 | 1,707,592 |
| Solid waste management | 1,082,662 | 596,107 | 222,815 | - |
| Field house | 292,109 | 375,692 | 339 | - |
| Total business-type activities | <u>22,809,783</u> | <u>20,939,175</u> | <u>629,229</u> | <u>6,200,229</u> |
| Total primary government | <u>\$ 79,917,439</u> | <u>\$ 32,552,372</u> | <u>\$ 10,062,879</u> | <u>\$ 21,170,507</u> |
| COMPONENT UNIT: | | | | |
| Housing and Redevelopment Authority | <u>\$ 5,484,406</u> | <u>\$ 1,906,214</u> | <u>\$ 3,118,379</u> | <u>\$ 73,412</u> |

General revenues:
Property taxes
Franchise fees
Investment earnings
Gain on sale of capital assets
Other
Transfers
Total general revenues and transfers

CHANGE IN NET POSITION

NET POSITION - BEGINNING

NET POSITION - ENDING

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

| Net (Expense) Revenue and Changes in Net Position | | | |
|--|---------------------------------|-----------------------|--|
| Primary Government | | | Component Unit |
| Governmental Activities | Business-type Activities | Total | Housing and Redevelopment Authority |
| \$ (5,022,332) | \$ - | \$ (5,022,332) | \$ - |
| (722,046) | - | (722,046) | - |
| (4,582,665) | - | (4,582,665) | - |
| (15,522,726) | - | (15,522,726) | - |
| 792,123 | - | 792,123 | - |
| 4,268,046 | - | 4,268,046 | - |
| (300,931) | - | (300,931) | - |
| <u>(21,090,531)</u> | <u>-</u> | <u>(21,090,531)</u> | <u>-</u> |
| - | 2,971,059 | 2,971,059 | - |
| - | (208,154) | (208,154) | - |
| - | 2,375,763 | 2,375,763 | - |
| - | (263,740) | (263,740) | - |
| - | 83,922 | 83,922 | - |
| - | 4,958,850 | 4,958,850 | - |
| <u>(21,090,531)</u> | <u>4,958,850</u> | <u>(16,131,681)</u> | <u>-</u> |
| | | | <u>(386,401)</u> |
| 32,190,852 | - | 32,190,852 | 560,273 |
| 2,164,036 | - | 2,164,036 | - |
| 1,116,120 | 616,117 | 1,732,237 | 46,721 |
| 38,568 | - | 38,568 | - |
| 993,344 | - | 993,344 | 11,837 |
| (534,264) | 534,264 | - | - |
| <u>35,968,656</u> | <u>1,150,381</u> | <u>37,119,037</u> | <u>618,831</u> |
| 14,878,125 | 6,109,231 | 20,987,356 | 232,430 |
| <u>293,627,221</u> | <u>143,161,970</u> | <u>436,789,191</u> | <u>4,746,268</u> |
| <u>\$ 308,505,346</u> | <u>\$ 149,271,201</u> | <u>\$ 457,776,547</u> | <u>\$ 4,978,698</u> |

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GOVERNMENTAL FUNDS

GENERAL FUND - The General Fund accounts for resources devoted to financing the general services. These include general government, economic development, parks and recreation, public safety, public service, and public works. Revenues are recorded by source, i.e., taxes, license and permit, intergovernmental, service charges, fines and forfeitures, etc. General Fund expenditures are primarily for day-to-day operating costs and equipment. This fund accounts for all financial transactions not properly accounted for in another fund.

SPECIAL REVENUE FUNDS

Special revenue funds are established to account for taxes and other revenues set aside for a particular purpose.

Transit System Fund - Revenues from Minnesota Vehicle Excise Tax and fares, and expenditures for the Plymouth Metrolink system are accounted for in this fund.

CAPITAL PROJECT FUNDS

Capital projects funds are used to account for the construction and financing of large capital projects.

General Capital Projects Fund - This fund is used to account for construction costs related to the City's buildings and park improvements.

Improvement Projects Fund - This fund is used to account for expenditures incurred in the construction of certain public improvements such as residential streets, sidewalks, and storm sewers.

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**CITY OF PLYMOUTH, MINNESOTA
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2016
(with comparative totals for December 31, 2015)**

| | Special Revenue | | Capital Project | |
|--|----------------------------|---------------------------|---|---------------------------------|
| | General | Transit System | General Capital Projects | Improvement Projects |
| <u>ASSETS</u> | | | | |
| Cash and investments | \$ 18,176,730 | \$ 7,294,672 | \$ 9,376,514 | \$ 6,160,709 |
| Accounts receivable | 347,717 | - | - | 250,000 |
| Notes receivable | - | - | - | - |
| Taxes receivable | 375,512 | - | - | - |
| Special assessments receivable | 38,031 | - | - | 391 |
| Accrued interest receivable | 88,166 | 32,008 | 33,106 | 27,989 |
| Due from other governments | 205,486 | 646,338 | - | 325,578 |
| Inventory | - | - | - | - |
| Prepaid items | 76,991 | 3,455 | - | - |
| Advances to other funds | 4,011 | - | 697,900 | - |
| TOTAL ASSETS | \$ 19,312,644 | \$ 7,976,473 | \$ 10,107,520 | \$ 6,764,667 |
| <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u> | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 496,274 | \$ 668,989 | \$ 127,341 | \$ 179,340 |
| Contracts payable | - | - | 1,189,637 | 1,661,763 |
| Accrued salaries and benefits payable | 856,046 | 5,173 | - | - |
| Deposits payable | 1,905,212 | - | 1,310,205 | - |
| Due to other governments | 61,381 | - | - | 488,838 |
| Advances from other funds | - | - | - | - |
| Accrued interest on advances | - | - | - | - |
| Unearned revenue | 585,011 | - | - | - |
| Total liabilities | 3,903,924 | 674,162 | 2,627,183 | 2,329,941 |
| Deferred inflows of resources: | | | | |
| Unavailable revenue | 331,939 | 80,281 | - | 263,863 |
| Fund balances: | | | | |
| Nonspendable | 81,002 | 3,455 | - | - |
| Restricted | - | 7,218,575 | - | - |
| Assigned | 160,074 | - | 7,480,337 | 4,170,863 |
| Unassigned | 14,835,705 | - | - | - |
| Total fund balances | 15,076,781 | 7,222,030 | 7,480,337 | 4,170,863 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 19,312,644 | \$ 7,976,473 | \$ 10,107,520 | \$ 6,764,667 |

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

| Nonmajor Governmental Funds | Totals | |
|-----------------------------------|----------------------|----------------------|
| | 2016 | 2015 |
| \$ 35,358,494 | \$ 76,367,119 | \$ 85,132,725 |
| 536,573 | 1,134,290 | 650,771 |
| 2,194,511 | 2,194,511 | 2,204,294 |
| 80,874 | 456,386 | 270,090 |
| 35,730 | 74,152 | 47,218 |
| 279,723 | 460,992 | 410,047 |
| 36,113 | 1,213,515 | 2,582,461 |
| 1,988 | 1,988 | 2,416 |
| 1,461 | 81,907 | 74,240 |
| 2,328,818 | 3,030,729 | 3,597,533 |
| <u>\$ 40,854,285</u> | <u>\$ 85,015,589</u> | <u>\$ 94,971,795</u> |
| | | |
| \$ 404,092 | \$ 1,876,036 | \$ 1,493,255 |
| - | 2,851,400 | 1,043,534 |
| 38,159 | 899,378 | 764,709 |
| 1,900 | 3,217,317 | 3,156,862 |
| 18,000 | 568,219 | 449,848 |
| 1,597,014 | 1,597,014 | 1,897,186 |
| - | - | 109 |
| 265,982 | 850,993 | 934,068 |
| <u>2,325,147</u> | <u>11,860,357</u> | <u>9,739,571</u> |
| | | |
| <u>2,417,979</u> | <u>3,094,062</u> | <u>2,600,542</u> |
| | | |
| 49,309 | 133,766 | 122,516 |
| 13,203,338 | 20,421,913 | 19,064,554 |
| 22,858,512 | 34,669,786 | 49,095,086 |
| - | 14,835,705 | 14,349,526 |
| <u>36,111,159</u> | <u>70,061,170</u> | <u>82,631,682</u> |
| | | |
| <u>\$ 40,854,285</u> | <u>\$ 85,015,589</u> | <u>\$ 94,971,795</u> |

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**CITY OF PLYMOUTH, MINNESOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2016**

FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 70,061,170

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

- | | | |
|---|----------------------|------------------|
| 1. Capital assets used in governmental activities are not financial resources, therefore are not reported in the fund statements. | | |
| Capital assets | 450,940,660 | |
| Accumulated depreciation | <u>(225,851,779)</u> | 225,088,881 |
| | | |
| 2. Long-term liabilities are not due and payable in the current period, therefore are not reported in the fund statements. | | |
| Bonds payable | (12,915,000) | |
| Premium / discount on bonds | (355,758) | |
| Accrued interest payable | <u>(161,443)</u> | (13,432,201) |
| | | |
| 3. Unavailable revenue in governmental funds is susceptible to full accrual on government-wide statements. | | 3,094,062 |
| | | |
| 4. 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 services funds are included in governmental activities in the statement of net position. | | 18,183,116 |
| | | |
| 5. 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 position. | | 2,464,197 |
| | | |
| 6. The fire relief net pension asset and related pension plan deferrals are not considered current financial resources, therefore are not reported in the fund statements. | | <u>3,046,121</u> |

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 308,505,346

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

CITY OF PLYMOUTH, MINNESOTA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2016
(with comparative actual amounts for year ended December 31, 2015)

| | General | Special Revenue | Capital Project | |
|--|----------------------|---------------------|--------------------------|----------------------|
| | | Transit System | General Capital Projects | Improvement Projects |
| REVENUES: | | | | |
| Property taxes | \$ 25,247,809 | \$ - | \$ - | \$ - |
| Special assessments | 12,822 | - | - | - |
| Licenses and permits | 4,510,095 | - | - | - |
| Intergovernmental | 3,488,202 | 4,096,174 | - | 4,952,374 |
| Charges for services | 3,959,231 | 1,019,326 | - | - |
| Franchise fees | - | - | - | - |
| Fines and forfeitures | 443,918 | - | - | - |
| Contributions | 102,651 | - | 38,033 | - |
| Investment earnings (loss) | 102,490 | 56,808 | 103,572 | (2,373) |
| Loan repayments | - | - | - | - |
| Other revenues | 268,028 | 5,240 | 590,999 | - |
| Total revenues | <u>38,135,246</u> | <u>5,177,548</u> | <u>732,604</u> | <u>4,950,001</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 7,328,302 | - | 17,622 | - |
| Economic development | - | - | - | - |
| Parks and recreation | 5,843,433 | - | 81,591 | - |
| Public safety | 17,800,699 | - | - | - |
| Public service | - | 4,225,132 | 37,737 | - |
| Public works | 4,857,192 | - | - | 792 |
| Interest on interfund advances | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Bond issuance costs | - | - | - | - |
| Capital outlay | 92,968 | 145,037 | 13,324,981 | 22,305,883 |
| Total expenditures | <u>35,922,594</u> | <u>4,370,169</u> | <u>13,461,931</u> | <u>22,306,675</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | | | | |
| | <u>2,212,652</u> | <u>807,379</u> | <u>(12,729,327)</u> | <u>(17,356,674)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 328,560 | 18,330 | 9,968,712 | 17,246,261 |
| Transfers out | (2,062,615) | - | - | (3,873,020) |
| General obligation bonds issued | - | - | - | - |
| Premium on bonds issued | - | - | - | - |
| Payment of refunded bonds | - | - | - | - |
| Total other financing sources (uses) | <u>(1,734,055)</u> | <u>18,330</u> | <u>9,968,712</u> | <u>13,373,241</u> |
| NET CHANGE IN FUND BALANCES | 478,597 | 825,709 | (2,760,615) | (3,983,433) |
| FUND BALANCES AT BEGINNING OF YEAR | <u>14,598,184</u> | <u>6,396,321</u> | <u>10,240,952</u> | <u>8,154,296</u> |
| FUND BALANCES AT END OF YEAR | <u>\$ 15,076,781</u> | <u>\$ 7,222,030</u> | <u>\$ 7,480,337</u> | <u>\$ 4,170,863</u> |

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

| Nonmajor Governmental Funds | Totals | |
|-----------------------------------|----------------------|----------------------|
| | 2016 | 2015 |
| \$ 6,852,099 | \$ 32,099,908 | \$ 31,183,949 |
| 6,714 | 19,536 | 36,096 |
| 133,337 | 4,643,432 | 5,953,696 |
| 2,601,459 | 15,138,209 | 11,568,874 |
| 1,233,076 | 6,211,633 | 4,680,357 |
| 2,164,036 | 2,164,036 | 2,630,711 |
| - | 443,918 | 635,906 |
| 2,016,324 | 2,157,008 | 3,582,329 |
| 592,430 | 852,927 | 1,224,761 |
| 8,063 | 8,063 | 7,836 |
| 81,685 | 945,952 | 389,155 |
| <u>15,689,223</u> | <u>64,684,622</u> | <u>61,893,670</u> |
| 2,234 | 7,348,158 | 5,597,914 |
| 693,967 | 693,967 | 690,321 |
| 1,783,465 | 7,708,489 | 7,623,500 |
| - | 17,800,699 | 16,720,145 |
| 282,264 | 4,545,133 | 4,283,594 |
| 5,912 | 4,863,896 | 6,223,365 |
| 63,779 | 63,779 | 55,835 |
| 995,000 | 995,000 | 1,810,000 |
| 407,771 | 407,771 | 601,488 |
| - | - | 62,939 |
| 5,550 | 35,874,419 | 15,773,246 |
| <u>4,239,942</u> | <u>80,301,311</u> | <u>59,442,347</u> |
| <u>11,449,281</u> | <u>(15,616,689)</u> | <u>2,451,323</u> |
| 60,875 | 27,622,738 | 24,202,120 |
| (18,640,926) | (24,576,561) | (20,918,008) |
| - | - | 3,295,000 |
| - | - | 121,407 |
| - | - | (4,575,000) |
| <u>(18,580,051)</u> | <u>3,046,177</u> | <u>2,125,519</u> |
| (7,130,770) | (12,570,512) | 4,576,842 |
| 43,241,929 | 82,631,682 | 78,054,840 |
| <u>\$ 36,111,159</u> | <u>\$ 70,061,170</u> | <u>\$ 82,631,682</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, 2016

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (12,570,512)

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 costs 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.

| | | |
|---|---------------------|------------|
| Capital outlay | \$ 36,322,526 | |
| Assets contributed to internal service funds | (987,117) | |
| Assets of governmental activities reassigned to proprietary funds | (1,868,305) | |
| Depreciation expense | <u>(10,114,130)</u> | 23,352,974 |

2. The net effect of various transactions involving capital assets (i.e. sales and dispositions) is to decrease net position. (147,056)

3. Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds. 448,520

4. The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position.

| | | |
|----------------------|--|---------|
| Principal repayments | | 995,000 |
|----------------------|--|---------|

5. 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 | 26,851 | |
| Amortization of bond premiums and discounts | <u>79,989</u> | 106,840 |

6. Capital assets contributed to the City by developers are not current financial resources, therefore are not reported in the governmental funds statements. 4,901,563

7. 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 position and does not affect the statement of activities. 45,000

8. Internal service funds are used to charge the cost certain activities, such as of insurance, fleet and building management, management information systems, employee benefits, and other items to individual funds. This amount represents the change in net position of the internal service funds, which are reported with governmental activities. (1,773,874)

9. The net effect of transactions involving the fire relief pension plan increased net position, but are not reported in the governmental funds. (480,330)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 14,878,125

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, 2016
(with comparative actual amounts for year ended December 31, 2015)**

| | 2016 | | 2015 | |
|--|---------------------------------|----------------------|----------------------------------|----------------------|
| | Original and Final Budget | Actual | Variance with Final Budget | Actual |
| REVENUES: | | | | |
| Property Taxes | \$ 25,278,373 | \$ 25,247,809 | \$ (30,564) | \$ 24,414,150 |
| Special assessments | 10,000 | 12,822 | 2,822 | 13,539 |
| Licenses and permits | 3,584,910 | 4,510,095 | 925,185 | 5,797,610 |
| Intergovernmental | 2,364,848 | 3,488,202 | 1,123,354 | 2,880,999 |
| Charges for services | 3,864,430 | 3,959,231 | 94,801 | 2,385,480 |
| Fines and forfeitures | 713,500 | 443,918 | (269,582) | 635,906 |
| Contributions | 81,600 | 102,651 | 21,051 | 17,675 |
| Investment earnings | 260,000 | 102,490 | (157,510) | 222,252 |
| Other revenues | 106,800 | 268,028 | 161,228 | 236,937 |
| Total revenues | <u>36,264,461</u> | <u>38,135,246</u> | <u>1,870,785</u> | <u>36,604,548</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 6,449,186 | 7,328,302 | (879,116) | 5,547,072 |
| Parks and recreation | 5,949,695 | 5,843,433 | 106,262 | 5,567,522 |
| Public safety | 18,048,403 | 17,800,699 | 247,704 | 16,720,145 |
| Public works | 5,871,677 | 4,857,192 | 1,014,485 | 4,932,369 |
| Capital outlay | 10,000 | 92,968 | (82,968) | 83,716 |
| Total expenditures | <u>36,328,961</u> | <u>35,922,594</u> | <u>406,367</u> | <u>32,850,824</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(64,500)</u> | <u>2,212,652</u> | <u>2,277,152</u> | <u>3,753,724</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 231,000 | 328,560 | 97,560 | 428,207 |
| Transfers out | (166,500) | (2,062,615) | (1,896,115) | (2,987,043) |
| Total other financing sources (uses) | <u>64,500</u> | <u>(1,734,055)</u> | <u>(1,798,555)</u> | <u>(2,558,836)</u> |
| NET CHANGE IN FUND BALANCE | - | 478,597 | 478,597 | 1,194,888 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>14,598,184</u> | <u>14,598,184</u> | <u>-</u> | <u>13,403,296</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 14,598,184</u> | <u>\$ 15,076,781</u> | <u>\$ 478,597</u> | <u>\$ 14,598,184</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, 2016
(with comparative actual amounts for year ended December 31, 2015)

| | 2016 | | Variance with Final Budget | 2015 |
|--|---------------------------------|---------------------|----------------------------------|---------------------|
| | Original and Final Budget | Actual | | Actual |
| REVENUES: | | | | |
| Intergovernmental | \$ 4,111,230 | \$ 4,096,174 | \$ (15,056) | \$ 4,058,593 |
| Charges for services | 1,140,000 | 1,019,326 | (120,674) | 993,577 |
| Investment earnings | 35,000 | 56,808 | 21,808 | 77,874 |
| Other revenues | - | 5,240 | 5,240 | 11 |
| Total revenues | <u>5,286,230</u> | <u>5,177,548</u> | <u>(108,682)</u> | <u>5,130,055</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public service: | | | | |
| Personal services | - | 22,599 | (22,599) | - |
| Materials and supplies | 7,500 | 4,244 | 3,256 | 44,716 |
| Contractual services | 4,723,495 | 4,198,289 | 525,206 | 3,743,079 |
| Capital outlay | 205,000 | 145,037 | 59,963 | 19,500 |
| Total expenditures | <u>4,935,995</u> | <u>4,370,169</u> | <u>565,826</u> | <u>3,807,295</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>350,235</u> | <u>807,379</u> | <u>457,144</u> | <u>1,322,760</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | 18,330 | 18,330 | - |
| Transfers out | (350,235) | - | 350,235 | - |
| Total other financing sources (uses) | <u>(350,235)</u> | <u>18,330</u> | <u>368,565</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | - | 825,709 | 825,709 | 1,322,760 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>6,396,321</u> | <u>6,396,321</u> | <u>-</u> | <u>5,073,561</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 6,396,321</u> | <u>\$ 7,222,030</u> | <u>\$ 825,709</u> | <u>\$ 6,396,321</u> |

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



PROPRIETARY FUNDS

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs are to be recovered primarily through user charges.

Water Sewer Utility Fund - The Water Sewer Utility Fund provides municipal water and sanitary sewer service to the community. The Fund finances the operations, maintenance and construction of the water and sanitary sewer systems.

Ice Center Fund - The Ice Center Fund provides ice arena facility services to the community through hockey, figure skating and public skating programs.

Water Resources Fund - This fund is used to account for resources used to administer the City's surface water plan, erosion control, wetland regulations, and environmental programs including planning, projects, and maintenance.

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CITY OF PLYMOUTH, MINNESOTA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2016
(with comparative totals for December 31, 2015)

| | Business-type Activities - Enterprise Funds | | | |
|---|--|-----------------------------|-----------------------------|----------------------------|
| | Water Sewer Utility | Ice Center | Water Resources | Nonmajor Funds |
| <u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u> | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 19,112,502 | \$ 959,107 | \$ 2,761,192 | \$ 3,193,467 |
| Accounts receivable | 2,583,313 | 171,912 | 538,578 | 295,896 |
| Special assessments receivable | 1,384,759 | - | 21,838 | 7,330 |
| Accrued interest receivable | 83,129 | 4,223 | 12,259 | 14,209 |
| Due from other governments | 91,110 | - | - | 5,837 |
| Inventory | 55,284 | 7,472 | - | - |
| Prepaid items | 475,684 | 17,481 | 19,823 | 1,905 |
| Total current assets | <u>23,785,781</u> | <u>1,160,195</u> | <u>3,353,690</u> | <u>3,518,644</u> |
| Noncurrent assets: | | | | |
| Special assessments receivable | 3,878,175 | - | - | - |
| Capital assets: | | | | |
| Land | 2,074,063 | 1,158,324 | - | 47,551 |
| Buildings | 40,580,263 | 13,484,061 | - | 1,306,187 |
| Improvements other than buildings | 1,216,320 | 1,352,608 | 2,719,488 | 383,317 |
| Machinery and equipment | 13,543,645 | 1,170,216 | 238,491 | 161,990 |
| Infrastructure | 106,242,958 | 29,861 | 12,252,066 | - |
| Construction in progress | 5,588,856 | - | 1,097,784 | - |
| Total capital assets | <u>169,246,105</u> | <u>17,195,070</u> | <u>16,307,829</u> | <u>1,899,045</u> |
| Less accumulated depreciation | <u>(69,734,724)</u> | <u>(7,490,411)</u> | <u>(1,987,129)</u> | <u>(1,054,158)</u> |
| Net capital assets | <u>99,511,381</u> | <u>9,704,659</u> | <u>14,320,700</u> | <u>844,887</u> |
| Total noncurrent assets | <u>103,389,556</u> | <u>9,704,659</u> | <u>14,320,700</u> | <u>844,887</u> |
| Total assets | <u>127,175,337</u> | <u>10,864,854</u> | <u>17,674,390</u> | <u>4,363,531</u> |
| Deferred outflows of resources: | | | | |
| Pension plan deferments - PERA | - | - | - | - |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u><u>\$ 127,175,337</u></u> | <u><u>\$ 10,864,854</u></u> | <u><u>\$ 17,674,390</u></u> | <u><u>\$ 4,363,531</u></u> |

(Continued...)

| | | | | Governmental Activities - Internal Service Funds | |
|-----------------------|-----------------------|----------------------|----------------------|---|--|
| Totals | | Totals | | | |
| 2016 | 2015 | 2016 | 2015 | | |
| \$ 26,026,268 | \$ 29,418,194 | \$ 33,118,621 | \$ 31,072,994 | | |
| 3,589,699 | 3,148,035 | 5,723 | 1,960 | | |
| 1,413,927 | 1,514,880 | - | - | | |
| 113,820 | 100,152 | 145,181 | 105,534 | | |
| 96,947 | 153,981 | 10,739 | 6,811 | | |
| 62,756 | 50,019 | 122,117 | 138,167 | | |
| 514,893 | 447,744 | 615,858 | 559,853 | | |
| <u>31,818,310</u> | <u>34,833,005</u> | <u>34,018,239</u> | <u>31,885,319</u> | | |
| 3,878,175 | 4,365,943 | - | - | | |
| 3,279,938 | 3,279,938 | 33,520 | 33,520 | | |
| 55,370,511 | 55,370,511 | 716,092 | 636,652 | | |
| 5,671,733 | 5,836,414 | 1,101,449 | 910,475 | | |
| 15,114,342 | 15,069,613 | 21,889,579 | 20,578,799 | | |
| 118,524,885 | 109,336,171 | 147,638 | - | | |
| 6,686,640 | 850,414 | 97,150 | 396,984 | | |
| <u>204,648,049</u> | <u>189,743,061</u> | <u>23,985,428</u> | <u>22,556,430</u> | | |
| <u>(80,266,422)</u> | <u>(75,626,723)</u> | <u>(12,265,463)</u> | <u>(12,358,453)</u> | | |
| <u>124,381,627</u> | <u>114,116,338</u> | <u>11,719,965</u> | <u>10,197,977</u> | | |
| <u>128,259,802</u> | <u>118,482,281</u> | <u>11,719,965</u> | <u>10,197,977</u> | | |
| <u>160,078,112</u> | <u>153,315,286</u> | <u>45,738,204</u> | <u>42,083,296</u> | | |
| - | - | 27,455,435 | 3,350,550 | | |
| <u>\$ 160,078,112</u> | <u>\$ 153,315,286</u> | <u>\$ 73,193,639</u> | <u>\$ 45,433,846</u> | | |

CITY OF PLYMOUTH, MINNESOTA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2016
(with comparative totals for December 31, 2015)

(Continued from previous page)

| | Business-type Activities - Enterprise Funds | | | |
|---|--|-----------------------|----------------------------|---------------------------|
| | <u>Water Sewer Utility</u> | <u>Ice Center</u> | <u>Water Resources</u> | <u>Nonmajor Funds</u> |
| <u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u> | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$ 334,949 | \$ 54,026 | \$ 71,053 | \$ 82,615 |
| Contracts payable | 2,058,253 | - | 223,931 | - |
| Accrued salaries and benefits payable | 71,386 | 24,606 | 27,582 | 9,474 |
| Compensated absences payable | - | - | - | - |
| Due to other governments | 315,129 | 317 | 33,930 | 951 |
| Unearned revenue | 33,584 | 80,917 | - | 239,168 |
| Accrued interest payable | 37,000 | - | - | - |
| Advances from other funds | - | 272,717 | - | - |
| Revenue bonds payable | 965,000 | - | - | - |
| Total current liabilities | <u>3,815,301</u> | <u>432,583</u> | <u>356,496</u> | <u>332,208</u> |
| Noncurrent liabilities: | | | | |
| OPEB (net) | - | - | - | - |
| Net pension liability | - | - | - | - |
| Compensated absences payable | - | - | - | - |
| Advances from other funds | - | 1,160,998 | - | - |
| Revenue bonds payable (net of unamortized premiums/discounts) | 2,245,128 | - | - | - |
| Total noncurrent liabilities | <u>2,245,128</u> | <u>1,160,998</u> | <u>-</u> | <u>-</u> |
| Total liabilities | <u>6,060,429</u> | <u>1,593,581</u> | <u>356,496</u> | <u>332,208</u> |
| Deferred inflows of resources: | | | | |
| Pension plan deferments - PERA | - | - | - | - |
| <u>NET POSITION</u> | | | | |
| Net investment in capital assets | 96,301,253 | 9,704,659 | 14,320,700 | 844,887 |
| Restricted for: | | | | |
| Utility trunk | 16,692,604 | - | - | - |
| Water resources | - | - | 2,997,194 | - |
| Unrestricted | 8,121,051 | (433,386) | - | 3,186,436 |
| Total net position | <u>121,114,908</u> | <u>9,271,273</u> | <u>17,317,894</u> | <u>4,031,323</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION | <u>\$ 127,175,337</u> | <u>\$ 10,864,854</u> | <u>\$ 17,674,390</u> | <u>\$ 4,363,531</u> |

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

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

| | | | | Governmental Activities - Internal Service Funds | |
|-----------------------|-----------------------|----------------------|----------------------|---|--|
| Totals | | Totals | | | |
| 2016 | 2015 | 2016 | 2015 | | |
| \$ 542,643 | \$ 488,709 | \$ 866,790 | \$ 530,660 | | |
| 2,282,184 | 580,847 | - | - | | |
| 133,048 | 116,589 | 48,783 | 113,059 | | |
| - | - | 1,780,201 | 1,383,143 | | |
| 350,327 | 484,526 | 2,161 | 154 | | |
| 353,669 | 162,136 | - | 2,895 | | |
| 37,000 | 48,688 | - | - | | |
| 272,717 | 266,632 | - | - | | |
| 965,000 | 935,000 | - | - | | |
| <u>4,936,588</u> | <u>3,083,127</u> | <u>2,697,935</u> | <u>2,029,911</u> | | |
| - | - | 1,716,509 | 1,510,646 | | |
| - | - | 44,392,455 | 17,915,436 | | |
| - | - | 1,016,438 | 1,186,353 | | |
| 1,160,998 | 1,433,715 | - | - | | |
| <u>2,245,128</u> | <u>3,241,071</u> | <u>-</u> | <u>-</u> | | |
| <u>3,406,126</u> | <u>4,674,786</u> | <u>47,125,402</u> | <u>20,612,435</u> | | |
| <u>8,342,714</u> | <u>7,757,913</u> | <u>49,823,337</u> | <u>22,642,346</u> | | |
| - | - | 5,187,186 | 2,765,716 | | |
| 121,171,499 | 109,940,267 | 11,719,965 | 10,197,977 | | |
| 16,692,604 | 21,158,536 | - | - | | |
| 2,997,194 | 2,792,928 | - | - | | |
| 10,874,101 | 11,665,642 | 6,463,151 | 9,827,807 | | |
| <u>151,735,398</u> | <u>145,557,373</u> | <u>18,183,116</u> | <u>20,025,784</u> | | |
| <u>\$ 160,078,112</u> | <u>\$ 153,315,286</u> | <u>\$ 73,193,639</u> | <u>\$ 45,433,846</u> | | |
| \$ 151,735,398 | \$ 145,557,373 | | | | |
| (2,464,197) | (2,395,403) | | | | |
| <u>\$ 149,271,201</u> | <u>\$ 143,161,970</u> | | | | |

CITY OF PLYMOUTH, MINNESOTA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2016
(with comparative totals for year ended December 31, 2015)

| | Business-type Activities - Enterprise Funds | | | |
|---|--|-----------------------|----------------------------|---------------------------|
| | Water Sewer Utility | Ice Center | Water Resources | Nonmajor Funds |
| OPERATING REVENUES: | | | | |
| Charges for services | \$ 15,218,051 | \$ 1,577,870 | \$ 3,005,275 | \$ 952,646 |
| Other fees | 33,931 | - | 34,602 | 19,153 |
| Total operating revenue | <u>15,251,982</u> | <u>1,577,870</u> | <u>3,039,877</u> | <u>971,799</u> |
| OPERATING EXPENSES: | | | | |
| Personal services | 1,947,423 | 576,629 | 713,549 | 264,509 |
| Materials and supplies | 923,160 | 99,147 | 178,423 | 6,586 |
| Insurance claims | - | - | - | - |
| Contractual services | 10,151,368 | 676,555 | 1,369,762 | 1,020,712 |
| Depreciation | 3,761,099 | 488,317 | 396,259 | 68,566 |
| Total operating expenses | <u>16,783,050</u> | <u>1,840,648</u> | <u>2,657,993</u> | <u>1,360,373</u> |
| OPERATING INCOME (LOSS) | <u>(1,531,068)</u> | <u>(262,778)</u> | <u>381,884</u> | <u>(388,574)</u> |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| Investment earnings | 539,151 | 14,487 | 27,199 | 35,280 |
| Intergovernmental | 25,315 | - | 280,136 | 222,251 |
| Gain on disposal of capital assets | - | - | - | - |
| Contributions | - | 88,301 | - | - |
| Other | 62,251 | 29,918 | 5,478 | - |
| Interest expense | (60,194) | (25,505) | - | - |
| Total nonoperating revenues (expenses) | <u>566,523</u> | <u>107,201</u> | <u>312,813</u> | <u>257,531</u> |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | (964,545) | (155,577) | 694,697 | (131,043) |
| CAPITAL CONTRIBUTIONS | 7,175,905 | 139,278 | 2,248,049 | - |
| TRANSFERS IN | 94,084 | - | - | - |
| TRANSFERS OUT | <u>(2,385,000)</u> | <u>(131,861)</u> | <u>(223,020)</u> | <u>(182,942)</u> |
| CHANGES IN NET POSITION | 3,920,444 | (148,160) | 2,719,726 | (313,985) |
| NET POSITION AT BEGINNING OF YEAR | <u>117,194,464</u> | <u>9,419,433</u> | <u>14,598,168</u> | <u>4,345,308</u> |
| NET POSITION AT END OF YEAR | <u>\$ 121,114,908</u> | <u>\$ 9,271,273</u> | <u>\$ 17,317,894</u> | <u>\$ 4,031,323</u> |

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

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

| | | | | Governmental Activities - Internal Service Funds | | | |
|-----------------------|-----------------------|-----------|--|---|-------------|--|-------------------|
| Totals | | | | Totals | | | |
| 2016 | 2015 | | | 2016 | 2015 | | |
| \$ 20,753,842 | \$ 20,496,620 | \$ | | 12,043,890 | \$ | | 11,720,846 |
| 87,686 | 89,784 | | | 283,686 | | | 184,975 |
| <u>20,841,528</u> | <u>20,586,404</u> | | | <u>12,327,576</u> | | | <u>11,905,821</u> |
| 3,502,110 | 3,852,453 | | | 9,955,423 | | | 5,917,777 |
| 1,207,316 | 1,513,944 | | | 985,391 | | | 1,094,639 |
| - | - | | | 340,514 | | | 216,582 |
| 13,218,397 | 12,660,549 | | | 2,698,261 | | | 2,544,806 |
| 4,714,241 | 5,214,978 | | | 1,570,354 | | | 1,463,484 |
| <u>22,642,064</u> | <u>23,241,924</u> | | | <u>15,549,943</u> | | | <u>11,237,288</u> |
| <u>(1,800,536)</u> | <u>(2,655,520)</u> | | | <u>(3,222,367)</u> | | | <u>668,533</u> |
| 616,117 | 676,601 | | | 318,392 | | | 466,303 |
| 527,702 | 284,035 | | | 7,661 | | | 15,209 |
| - | 30,002 | | | 38,568 | | | 82,711 |
| 88,301 | 93,949 | | | 125,956 | | | 63,090 |
| 97,647 | 58,706 | | | 47,392 | | | 42,906 |
| (85,699) | (97,097) | | | - | | | - |
| <u>1,244,068</u> | <u>1,046,196</u> | | | <u>537,969</u> | | | <u>670,219</u> |
| (556,468) | (1,609,324) | | | (2,684,398) | | | 1,338,752 |
| 9,563,232 | 5,551,824 | | | 1,059,168 | | | 586,783 |
| 94,084 | 847,752 | | | 422,841 | | | 373,128 |
| <u>(2,922,823)</u> | <u>(4,114,304)</u> | | | <u>(640,279)</u> | | | <u>(390,688)</u> |
| 6,178,025 | 675,948 | | | (1,842,668) | | | 1,907,975 |
| <u>145,557,373</u> | <u>144,881,425</u> | | | <u>20,025,784</u> | | | <u>18,117,809</u> |
| <u>\$ 151,735,398</u> | <u>\$ 145,557,373</u> | <u>\$</u> | | <u>18,183,116</u> | <u>\$</u> | | <u>20,025,784</u> |
| \$ 6,178,025 | \$ 675,948 | | | | | | |
| (68,794) | 113,212 | | | | | | |
| <u>\$ 6,109,231</u> | <u>\$ 789,160</u> | | | | | | |

CITY OF PLYMOUTH, MINNESOTA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2016
(with comparative totals for year ended December 31, 2015)

| | Business-type Activities - Enterprise Funds | | | |
|--|--|--------------------------|----------------------------|----------------------------|
| | Water Sewer Utility | Ice Center | Water Resources | Nonmajor Funds |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Receipts from customers or users | \$ 15,719,952 | \$ 1,571,918 | \$ 2,479,461 | \$ 888,761 |
| Payments to suppliers | (11,251,880) | (768,041) | (1,544,926) | (1,021,018) |
| Payments to employees | (1,938,962) | (572,043) | (709,763) | (264,883) |
| Other operating revenue | 62,251 | 29,918 | 5,478 | - |
| Net cash flows from operating activities | <u>2,591,361</u> | <u>261,752</u> | <u>230,250</u> | <u>(397,140)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | |
| Intergovernmental revenues | 25,315 | - | 280,136 | 222,251 |
| Contributions | - | 88,301 | - | - |
| Transfers in from other funds | 94,084 | - | - | - |
| Transfers out to other funds | (2,385,000) | (131,861) | (223,020) | (182,942) |
| Net cash flows from noncapital financing activities | <u>(2,265,601)</u> | <u>(43,560)</u> | <u>57,116</u> | <u>39,309</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | |
| Acquisition and construction of capital assets | (5,173,029) | (6,750) | (856,038) | - |
| Contributions | - | - | - | - |
| Special assessments for future construction | 2,897,919 | - | - | - |
| Proceeds from sale of capital assets | - | - | - | - |
| Principal paid on capital debt | (935,000) | - | - | - |
| Advances from other funds issued | - | - | - | - |
| Payment on advances from other funds | - | (266,632) | - | - |
| Interest paid on capital debt | (102,826) | (25,505) | - | - |
| Net cash flows from capital and related financing activities | <u>(3,312,936)</u> | <u>(298,887)</u> | <u>(856,038)</u> | <u>-</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Investment earnings | 529,462 | 13,751 | 26,188 | 33,047 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (2,457,714) | (66,944) | (542,484) | (324,784) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>21,570,216</u> | <u>1,026,051</u> | <u>3,303,676</u> | <u>3,518,251</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>\$ 19,112,502</u> | <u>\$ 959,107</u> | <u>\$ 2,761,192</u> | <u>\$ 3,193,467</u> |

(Continued...)

| | | | | Governmental Activities - Internal Service Funds | | | |
|----------------------|----------------------|-----------|--|---|-------------|--|--------------------|
| Totals | | | | Totals | | | |
| 2016 | 2015 | | | 2016 | 2015 | | |
| \$ 20,660,092 | \$ 20,465,764 | \$ | | 12,316,990 | \$ | | 11,920,545 |
| (14,585,865) | (14,180,243) | | | (3,725,983) | | | (4,588,792) |
| (3,485,651) | (3,863,141) | | | (4,793,089) | | | (5,199,722) |
| 97,647 | 58,706 | | | 47,392 | | | 42,906 |
| <u>2,686,223</u> | <u>2,481,086</u> | | | <u>3,845,310</u> | | | <u>2,174,937</u> |
| 527,702 | 284,035 | | | 7,661 | | | 15,209 |
| 88,301 | 93,949 | | | 125,956 | | | 63,090 |
| 94,084 | 847,752 | | | 422,841 | | | 373,128 |
| <u>(2,922,823)</u> | <u>(4,114,304)</u> | | | <u>(640,279)</u> | | | <u>(390,688)</u> |
| <u>(2,212,736)</u> | <u>(2,888,568)</u> | | | <u>(83,821)</u> | | | <u>60,739</u> |
| (6,035,817) | (1,966,560) | | | (2,193,182) | | | (2,292,177) |
| - | 88,000 | | | 72,051 | | | 94,004 |
| 2,897,919 | 3,272,351 | | | - | | | - |
| - | 30,002 | | | 126,524 | | | 138,353 |
| (935,000) | (920,000) | | | - | | | - |
| - | 1,349,000 | | | - | | | - |
| (266,632) | (292,455) | | | - | | | - |
| <u>(128,331)</u> | <u>(135,707)</u> | | | <u>-</u> | | | <u>-</u> |
| <u>(4,467,861)</u> | <u>1,424,631</u> | | | <u>(1,994,607)</u> | | | <u>(2,059,820)</u> |
| 602,448 | 672,355 | | | 278,745 | | | 466,084 |
| (3,391,926) | 1,689,504 | | | 2,045,627 | | | 641,940 |
| <u>29,418,194</u> | <u>27,728,690</u> | | | <u>31,072,994</u> | | | <u>30,431,054</u> |
| <u>\$ 26,026,268</u> | <u>\$ 29,418,194</u> | <u>\$</u> | | <u>33,118,621</u> | <u>\$</u> | | <u>31,072,994</u> |

**CITY OF PLYMOUTH, MINNESOTA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2016
 (with comparative totals for year ended December 31, 2015)**

(Continued from previous page)

| | Business-type Activities - Enterprise Funds | | | |
|---|--|-----------------------|----------------------------|---------------------------|
| | Water Sewer Utility | Ice Center | Water Resources | Nonmajor Funds |
| RECONCILIATION OF OPERATING | | | | |
| INCOME (LOSS) TO NET CASH FLOWS | | | | |
| FROM OPERATING ACTIVITIES: | | | | |
| Operating income (loss) | \$ (1,531,068) | \$ (262,778) | \$ 381,884 | \$ (388,574) |
| Adjustments to reconcile operating income (loss) to net cash flows from operating activities: | | | | |
| Depreciation | 3,761,099 | 488,317 | 396,259 | 68,566 |
| Other revenue | 62,251 | 29,918 | 5,478 | - |
| Changes in assets, deferred outflows, liabilities, and deferred inflows: | | | | |
| Accounts receivable | 392,495 | (55,382) | (538,578) | (240,198) |
| Special assessments receivable | 40,827 | - | (21,838) | (7,330) |
| Due from other governments | 35,268 | 25,455 | - | (3,688) |
| Inventory | (11,069) | (1,670) | - | - |
| Prepaid expenses | (33,633) | (15,924) | (17,983) | 393 |
| Deferred outflows for pension plan deferments | - | - | - | - |
| Accounts payable | 29,414 | 31,322 | (12,688) | 5,885 |
| Due to other governments | (162,064) | (6,067) | 33,930 | 2 |
| Accrued salaries payable | 8,461 | 4,586 | 3,786 | (374) |
| OPEB | - | - | - | - |
| Pension liability | - | - | - | - |
| Compensated absences payable | - | - | - | - |
| Unearned revenue | (620) | 23,975 | - | 168,178 |
| Deferred inflows for pension plan deferments | - | - | - | - |
| Total adjustments | <u>4,122,429</u> | <u>524,530</u> | <u>(151,634)</u> | <u>(8,566)</u> |
| Net cash flows from operating activities | <u>\$ 2,591,361</u> | <u>\$ 261,752</u> | <u>\$ 230,250</u> | <u>\$ (397,140)</u> |
| NONCASH INVESTING, CAPITAL AND | | | | |
| FINANCING ACTIVITIES: | | | | |
| Contributions of capital assets from City funds | 1,188,570 | 139,278 | 540,457 | - |
| Contribution of capital asset from others | 3,666,478 | - | 1,707,592 | - |
| Trade-in values on capital asset purchases | - | - | - | - |
| Increase (decrease) in capital assets from accounts and contracts payable | 1,893,705 | - | (192,368) | - |

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

| | | | | Governmental Activities - Internal Service Funds | |
|---------------------|---------------------|---------------------|---------------------|---|--|
| Totals | | Totals | | | |
| 2016 | 2015 | 2016 | 2015 | | |
| \$ (1,800,536) | \$ (2,655,520) | \$ (3,222,367) | \$ 668,533 | | |
| 4,714,241 | 5,214,978 | 1,570,354 | 1,463,484 | | |
| 97,647 | 58,706 | 47,392 | 42,906 | | |
| (441,663) | (103,386) | (3,763) | 576 | | |
| 11,659 | 32,562 | - | - | | |
| 57,035 | 4,688 | (3,928) | 11,253 | | |
| (12,739) | 13,653 | 16,050 | 7,549 | | |
| (67,147) | 847 | (56,004) | (215,902) | | |
| - | - | (24,104,885) | (2,458,685) | | |
| 53,933 | (47,232) | 336,130 | (523,288) | | |
| (134,199) | 26,982 | 2,007 | (1,124) | | |
| 16,459 | (10,688) | (64,276) | 42,006 | | |
| - | - | 205,863 | 221,947 | | |
| - | - | 26,477,019 | 82,643 | | |
| - | - | 227,143 | 64,428 | | |
| 191,533 | (54,504) | (2,895) | 2,895 | | |
| - | - | 2,421,470 | 2,765,716 | | |
| <u>4,486,759</u> | <u>5,136,606</u> | <u>7,067,677</u> | <u>1,506,404</u> | | |
| <u>\$ 2,686,223</u> | <u>\$ 2,481,086</u> | <u>\$ 3,845,310</u> | <u>\$ 2,174,937</u> | | |

| | | | |
|-----------|-----------|---------|---------|
| 1,868,305 | 1,742,426 | 987,117 | 492,778 |
| 5,374,070 | 1,259,756 | - | - |
| - | - | 23,944 | 55,642 |
| 1,701,337 | 497,021 | - | - |

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NOTES TO FINANCIAL STATEMENTS

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 (GAAP), 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 units. The component units discussed below are included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

Blended Component Units

The City created the Economic Development Authority (EDA) in 2016. The EDA did not have financial activity during the year.

Discretely Presented Component Units

The component unit columns in the government-wide statements include the financial data of the City's discretely presented 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.

The HRA does not publish separate financial statements. The financial statements are included in this report.

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 position and the statement of activities) 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 position and the change in net position.

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 investment earnings. Most of the current day-to-day operations of the governmental units are financed from this fund.
- *Special Revenue Fund*
 - *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.
- *Capital Project Funds*
 - *General Capital Projects Fund* – Used to account for construction costs related to the City’s buildings and park improvements.
 - *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.
- *Water Resources Fund* – Used to account for administering the City’s surface water plan, erosion control, wetland regulations and environmental programs.

Other Funds – The City reports the following other funds:

- *Internal Service Funds* - Used to account for central equipment, public facilities, information technology, risk management, employee benefits, and resource planning 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 deferred outflows of resources (if any), current liabilities, and deferred inflows 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 position.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

- *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.
- *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 investment earnings 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.
- *Unavailable Revenues* - unavailable revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. In subsequent periods, when all revenue recognition criteria are met, the liability for unavailable revenue is removed and revenue is recognized.
- *Expenditures* - Expenditures generally are recorded when a liability is incurred, defined as accrual accounting. However, debt service expenditures, as well as other long-term liabilities, 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 capital assets, and all liabilities, including long-term liabilities and deferred outflows/inflows, 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 position.
- *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.
- *Operating versus Non-operating Items* - Proprietary funds distinguish operating revenues and expenses from non-operating 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 non-operating revenues and expenses.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. ASSETS, LIABILITIES, DEFERRED INFLOWS/OUTFLOWS OF RESOURCES, AND NET POSITION, 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.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quotes prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

See Note 3 for the City's recurring fair value measurements as of year-end.

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. 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 governmental 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 unavailable 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 unavailable revenue. Unavailable 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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Within the governmental fund financial statements, 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. Unavailable 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 unavailable revenue amount. As the notes are repaid, the repayments are recorded as current revenue, and the notes receivable and unavailable revenue amounts are reduced accordingly. Unavailable revenue in governmental activities is susceptible to full accrual on the government-wide statements.

As part of the rehabilitation program, interest-free loans are given to low and moderate-income households to maintain, repair, and improve their homes. The loan disbursements are recorded as current expenditures. Payments are deferred and loans are forgiven after 20 years if the homeowner continues to own and occupy the home. The HRA does not recognize notes receivable and corresponding unavailable revenue on these loans. If the property is sold within 20 years, the loan is required to be repaid and is recorded as current revenue.

Receivables not expected to be collected within one year are notes receivable of \$2,186,191, interest on notes receivable of \$138,793 and unavailable special assessments receivable of \$3,922,739.

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. The cost of inventory is recorded as an expenditure 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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than purchased.

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 acquisition 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 asset 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).

Land and construction in progress are not depreciated. 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:

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

| <u>Assets</u> | <u>Years</u> |
|-----------------------------------|--------------|
| Buildings | 5 - 50 |
| Improvements other than buildings | 10 - 25 |
| Machinery and equipment | 2 - 20 |
| Infrastructure | 15 - 100 |

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*

Employees accrue *vacation/annual leave* at increments based on years of service. Such pay is reflected as a liability in the employee benefit fund as well as the government-wide statement of net position. The related expenditures/expenses are reflected on the fund statements based on each employees’ distribution. The City compensates all employees upon termination for unused leave up to a maximum of 480 hours.

Employees accrue *extended illness leave* up to a maximum lifetime accrual of 600 hours. They are entitled to draw upon their banks for approved leave extending beyond three weeks in duration. This type of leave is expended/expensed as it is paid from all funds. Employees are not compensated upon termination for remaining balances.

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 position.

Bond premiums and discounts 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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

8. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applied to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in the category, deferred outflows of resources related to pensions, reported in the government-wide and proprietary funds statement of Net Position. This deferred outflow results from differences between expected and actual experience, changes of assumptions, and projected and actual earnings on pension plan investments, and from contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension standards.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items which qualify for reporting in this category.

The first item, unavailable revenue, arises only under a modified accrual basis of accounting and therefore is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grants, and other miscellaneous receivables not received within 60 days. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The second item, deferred inflows of resources related to pensions, is reported in the government-wide and proprietary funds statement of net position. This deferred inflow results from differences between expected and actual experience, changes of assumptions, and difference between projected and actual earnings on pension plan investments. These amounts are deferred and amortized as required under pension standards.

The third item, deferred inflows of resources for housing assistance received for subsequent years, is deferred and recognized as an inflow of resources in the period that the resources are required to be used. This item is reported both in the governmental fund balance sheet and the government-wide statement of net position as a deferred inflow of resources.

9. *Fund Balance Classifications*

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.
- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.
- **Committed** – Consists of amounts that can be used only for specific purposes determined by a formal action of the government's high level of decision-making authority. The Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.
- **Assigned** – Consists of internally imposed constraints. These constraints consist of amounts intended to be used for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to Council Resolution, the City Manager, Administrative Services Director, or Finance Manager are authorized to establish assignments of fund balance.
- **Unassigned** – The residual classification for the General Fund which also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to first use restricted resources, then use unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use, it is the City's policy to use resources in the following order: 1) committed, 2) assigned, and 3) unassigned.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

10. Pension Plans

For purposes of measuring the net pension liability/asset, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the applicable pension and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the plan except that the Public Employees Retirement Association's (PERA) fiscal year-end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. 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.

12. 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 have been reclassified in order to be consistent with the current year's presentation.

13. Net Position

Net position represent the difference between assets plus deferred outflows of resources and deferred inflows of resources plus liabilities. Net position is displayed in three components:

- a. Net investment in capital assets – 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 position – Net position whose use is limited by external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- c. Unrestricted net position – All other net position that does not meet the definition of “net investment in capital assets” 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. 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 assignments of fund balances and do not constitute expenditures or liabilities because the resources 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.
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

Expenditures exceeded appropriations in the Component Unit - HRA General Fund by \$195,588, which were financed with revenues and other financing sources in excess of budget and available fund balance.

C. DEFICIT FUND EQUITY

The following funds had a deficit fund equity as of December 31, 2016. The Employee Benefits fund deficit will remain until which time the net pension liability is fully funded. Vicksburg Crossing's deficit will be eliminated over time as the occupancy rate increases and debt service obligations and depreciation decrease.

| <u>Fund</u> | <u>Fund Equity</u> |
|-------------------------------------|--------------------|
| Employee Benefits | (21,472,913) |
| Component Unit - Vicksburg Crossing | (1,362,326) |

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2016

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 | \$ 63,042 | \$ 844,823 | \$ 907,865 |
| Investments | 135,443,426 | 4,795,594 | 140,239,020 |
| Cash on hand | 5,540 | - | 5,540 |
| Total | <u>\$ 135,512,008</u> | <u>\$ 5,640,417</u> | <u>\$ 141,152,425</u> |

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

Statement of Net Position:

| | | | |
|----------------------|-----------------------|---------------------|-----------------------|
| Cash and investments | <u>\$ 135,512,008</u> | <u>\$ 5,640,417</u> | <u>\$ 141,152,425</u> |
|----------------------|-----------------------|---------------------|-----------------------|

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 \$63,042 while the balance on the bank records was \$116,796. The carrying amount of the component unit’s deposits was \$844,823 while the balance on the bank records was \$1,801,001. At December 31, 2016, all deposits were fully covered by federal depository insurance or by collateral held by the City’s agent in the City’s name.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2016

Note 3: CASH AND INVESTMENTS - CONTINUED

C. INVESTMENTS

The City is authorized by Minnesota Statute 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 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.

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

| Investment Type | Fair Value Measurement | Interest Risk - Maturity in Years | | | | Total |
|-----------------------------------|------------------------|-----------------------------------|----------------------|----------------------|-------------------|-----------------------|
| | | Less than 1 | 1 to 5 | 6 to 10 | 11 to 15 | |
| US Government Securities: | | | | | | |
| US Small Business Administration | Level 1 | \$ - | \$ - | \$ 880,874 | \$ - | \$ 880,874 |
| GNMA Pass Through Pool | Level 1 | - | 1,417,094 | 2,067,735 | - | 3,484,829 |
| US Agency Securities: | | | | | | |
| Federal Agriculture | | | | | | |
| Mortgage Corporation | Level 1 | - | 3,935,220 | - | - | 3,935,220 |
| Federal Farm Credit Bank | Level 1 | - | 4,896,810 | 5,907,860 | - | 10,804,670 |
| Federal Home Loan Bank | Level 1 | 3,001,560 | 3,425,050 | 8,809,210 | - | 15,235,820 |
| Federal Home Loan | | | | | | |
| Mortgage Corporation | Level 1 | 2,998,410 | 6,956,460 | 4,403,395 | - | 14,358,265 |
| Federal National | | | | | | |
| Mortgage Association | Level 1 | - | 12,860,020 | - | - | 12,860,020 |
| FNMA Pass Through Pool | Level 1 | - | 1,013,198 | 837,187 | 763,708 | 2,614,093 |
| Municipal Bonds | Level 2 | 5,520,030 | 26,715,694 | 12,919,890 | - | 45,155,614 |
| Negotiable Certificate of Deposit | Level 1 | 249,635 | 2,247,029 | - | - | 2,496,664 |
| Banker's Acceptance | Level 3 | 4,996,172 | - | - | - | 4,996,172 |
| Commercial Paper | Level 3 | 23,416,779 | - | - | - | 23,416,779 |
| Total investments | | <u>\$ 40,182,586</u> | <u>\$ 63,466,575</u> | <u>\$ 35,826,151</u> | <u>\$ 763,708</u> | <u>140,239,020</u> |
| Deposits | | | | | | 907,865 |
| Change funds | | | | | | 5,540 |
| Cash and investments | | | | | | <u>\$ 141,152,425</u> |

Note 3: CASH AND INVESTMENTS – CONTINUED

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. The City does not have a custodial credit risk because all investments are held in the City's name.

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 statutes 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, 2016, the City's investments in US agency securities were rated A or better by Standard & Poor's and/or A2 or better by Moody's Investors Service, municipal bonds were rated AA or higher by Standard & Poor's and/or AA1 or higher by Moody's Investor Service, bankers acceptance was rated A-1+ by Standard & Poor's and P1 by Moody's Investor Service and the City's commercial paper investments were rated A-1+ by Standard & Poor's and P1 by Moody's Investors Service. Non-negotiable CD's held by the City are not rated.

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 four U.S. Agency issuers did exceed 5% of the total portfolio. These issuers were the Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation 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. The City also had holdings in US Bank commercial paper in excess of 5%.

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 28.65% of investments with a maturity date within one year, 45.26% with a maturity date between one and five years, 25.55% with a maturity date between six and ten years, and 0.54% with a maturity date between eleven and fifteen years.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2016

Note 4: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 was as follows:

| | Beginning Balance | Additions | Reclassification | Decreases | Ending Balance |
|--|-----------------------|----------------------|------------------|---------------------|-----------------------|
| Primary government: | | | | | |
| Governmental activities | | | | | |
| Capital assets, not being depreciated | | | | | |
| Land | \$ 42,052,451 | \$ 602,017 | \$ - | \$ (143,083) | \$ 42,511,385 |
| Construction in progress | 25,651,374 | 19,211,312 | - | - | 44,862,686 |
| Total capital assets, not being depreciated | <u>67,703,825</u> | <u>19,813,329</u> | <u>-</u> | <u>(143,083)</u> | <u>87,374,071</u> |
| Capital assets, being depreciated | | | | | |
| Buildings | 40,539,048 | 204,664 | - | - | 40,743,712 |
| Improvements other than buildings | 25,357,080 | 1,584,106 | (167,373) | - | 26,773,813 |
| Machinery and equipment | 35,205,570 | 3,329,146 | (54,020) | (1,797,146) | 36,683,550 |
| Infrastructure | 266,511,829 | 16,617,720 | 221,393 | - | 283,350,942 |
| Total capital assets, being depreciated | <u>367,613,527</u> | <u>21,735,636</u> | <u>-</u> | <u>(1,797,146)</u> | <u>387,552,017</u> |
| (Less) Accumulated depreciation for: | | | | | |
| Buildings | (16,740,277) | (1,019,868) | - | - | (17,760,145) |
| Improvements other than buildings | (12,671,794) | (979,704) | 31,316 | - | (13,620,182) |
| Machinery and equipment | (20,371,533) | (2,127,449) | 23,680 | 1,705,217 | (20,770,085) |
| Infrastructure | (178,354,371) | (7,557,463) | (54,996) | - | (185,966,830) |
| Total accumulated depreciation | <u>(228,137,975)</u> | <u>(11,684,484)</u> | <u>-</u> | <u>1,705,217</u> | <u>(238,117,242)</u> |
| Total capital assets, being depreciated, net | <u>139,475,552</u> | <u>10,051,152</u> | <u>-</u> | <u>(91,929)</u> | <u>149,434,775</u> |
| Governmental activities capital assets, net | <u>\$ 207,179,377</u> | <u>\$ 29,864,481</u> | <u>\$ -</u> | <u>\$ (235,012)</u> | <u>\$ 236,808,846</u> |
| Business-type activities: | | | | | |
| Capital assets, not being depreciated | | | | | |
| Land | \$ 3,279,938 | \$ - | \$ - | \$ - | \$ 3,279,938 |
| Construction in progress | 850,414 | 5,836,226 | - | - | 6,686,640 |
| Total capital assets, not being depreciated | <u>4,130,352</u> | <u>5,836,226</u> | <u>-</u> | <u>-</u> | <u>9,966,578</u> |
| Capital assets, being depreciated | | | | | |
| Buildings | 55,370,511 | - | - | - | 55,370,511 |
| Improvements other than buildings | 5,836,414 | 245,114 | (338,436) | (71,359) | 5,671,733 |
| Machinery and equipment | 15,069,613 | 47,912 | - | (3,183) | 15,114,342 |
| Infrastructure | 109,336,171 | 8,850,278 | 338,436 | - | 118,524,885 |
| Total capital assets, being depreciated | <u>185,612,709</u> | <u>9,143,304</u> | <u>-</u> | <u>(74,542)</u> | <u>194,681,471</u> |
| (Less) Accumulated depreciation for: | | | | | |
| Buildings | (24,565,022) | (1,503,634) | - | - | (26,068,656) |
| Improvements other than buildings | (2,108,467) | (209,985) | 50,723 | 71,359 | (2,196,370) |
| Machinery and equipment | (11,572,683) | (555,989) | - | 3,183 | (12,125,489) |
| Infrastructure | (37,380,551) | (2,444,633) | (50,723) | - | (39,875,907) |
| Total accumulated depreciation | <u>(75,626,723)</u> | <u>(4,714,241)</u> | <u>-</u> | <u>74,542</u> | <u>(80,266,422)</u> |
| Total capital assets, being depreciated, net | <u>109,985,986</u> | <u>4,429,063</u> | <u>-</u> | <u>-</u> | <u>114,415,049</u> |
| Business-type activities capital assets, net | <u>\$ 114,116,338</u> | <u>\$ 10,265,289</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 124,381,627</u> |

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2016

Note 4: CAPITAL ASSETS – CONTINUED

| | Beginning Balance | Additions | Decreases | Ending Balance |
|--|----------------------|---------------------|-------------|----------------------|
| <u>Component unit:</u> | | | | |
| Governmental activities: | | | | |
| Capital assets, being depreciated | | | | |
| Buildings | \$ 175,169 | \$ - | \$ - | \$ 175,169 |
| (Less) Accumulated depreciation for: | | | | |
| Buildings | (30,168) | (5,839) | - | (36,007) |
| Governmental activities capital assets, net | <u>\$ 145,001</u> | <u>\$ (5,839)</u> | <u>\$ -</u> | <u>\$ 139,162</u> |
| Business-type activities: | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 1,333,840 | \$ - | \$ - | \$ 1,333,840 |
| Construction in progress | - | 29,199 | - | 29,199 |
| Total capital assets, not being depreciated | <u>1,333,840</u> | <u>29,199</u> | <u>-</u> | <u>1,363,039</u> |
| Capital assets, being depreciated | | | | |
| Buildings | 15,079,339 | - | - | 15,079,339 |
| Improvements other than buildings | 413,489 | 7,724 | - | 421,213 |
| Machinery and equipment | 780,751 | 6,277 | - | 787,028 |
| Total capital assets, being depreciated | <u>16,273,579</u> | <u>14,001</u> | <u>-</u> | <u>16,287,580</u> |
| (Less) Accumulated depreciation for: | | | | |
| Buildings | (6,297,302) | (468,626) | - | (6,765,928) |
| Improvements other than buildings | (175,637) | (19,812) | - | (195,449) |
| Machinery and equipment | (574,112) | (41,384) | - | (615,496) |
| Total accumulated depreciation | <u>(7,047,051)</u> | <u>(529,822)</u> | <u>-</u> | <u>(7,576,873)</u> |
| Total capital assets, being depreciated, net | <u>9,226,528</u> | <u>(515,821)</u> | <u>-</u> | <u>8,710,707</u> |
| Business-type activities capital assets, net | <u>\$ 10,560,368</u> | <u>\$ (486,622)</u> | <u>\$ -</u> | <u>\$ 10,073,746</u> |

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2016

Note 4: CAPITAL ASSETS – CONTINUED

| <u>Primary government:</u> | <u>Amount</u> |
|--|----------------------|
| Depreciation expense was charged to governmental functions as follows: | |
| General Government | \$ 266,996 |
| Parks and Recreation | 1,423,167 |
| Public Safety | 451,613 |
| Public Works | 7,798,831 |
| Public Service | 173,523 |
| Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets | <u>1,570,354</u> |
| Total depreciation expense - governmental activities | <u>\$ 11,684,484</u> |
| Depreciation expense was charged to business-type functions as follows: | |
| Water Sewer Utility | \$ 3,761,099 |
| Ice Center | 488,317 |
| Water Resources | 396,259 |
| Solid Waste Management | 4,821 |
| Field House | <u>63,745</u> |
| Total depreciation expense - business-type activities | <u>\$ 4,714,241</u> |
| <u>Component unit:</u> | |
| Depreciation expense was charged to governmental functions as follows: | |
| Public Service | <u>\$ 5,839</u> |
| Depreciation expense was charged to business-type functions as follows: | |
| Plymouth Towne Square | \$ 192,602 |
| Vicksburg Crossing | <u>337,220</u> |
| Total depreciation expense - component unit activities | <u>\$ 529,822</u> |

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 | \$ 1,480,507 | \$ - |
| Residential streets | 628,248 | - |
| Water resources management | - | 155,400 |
| Water and sewer utility | - | <u>29,403</u> |
| Total | <u>\$ 2,108,755</u> | <u>\$ 184,803</u> |

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2016

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.

C. OBLIGATIONS OUTSTANDING

Long-term obligations outstanding at December 31, 2016 are summarized as follows:

| | <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> |
|--|---------------------------|----------------------|-------------------|----------------------|------------------------------|-----------------------|-------------------------|
| <u>Primary government</u> | | | | | | | |
| Governmental activities: | | | | | | | |
| GENERAL OBLIGATION BONDS: | | | | | | | |
| Open Space Bonds - 2007A | 3.75-3.90 | 2/01 8/01 | 11/15/07 | 2/1/24 | \$ 2,715,000 | 1,085,000 | 1,630,000 |
| Open Space Bonds - 2010A | 2.00-3.25 | 2/01 8/01 | 8/24/10 | 2/1/26 | 2,990,000 | 835,000 | 2,155,000 |
| GO Refunding Bonds - 2012A | 2.00-3.00 | 2/01 8/01 | 4/5/12 | 2/1/25 | 4,815,000 | 580,000 | 4,235,000 |
| Open Space Bonds - 2015A | 2.00-3.00 | 2/01 8/01 | 3/4/15 | 2/1/27 | 3,295,000 | 75,000 | 3,220,000 |
| Total general obligation | | | | | <u>13,815,000</u> | <u>2,575,000</u> | <u>11,240,000</u> |
| GENERAL OBLIGATION BONDS - TAX INCREMENT: | | | | | | | |
| Tax Increment Refunding Bonds - 2009A | 3.00-3.50 | 2/01 8/01 | 11/24/09 | 2/1/23 | 2,490,000 | 815,000 | 1,675,000 |
| Total governmental activities | | | | | <u>16,305,000</u> | <u>3,390,000</u> | <u>12,915,000</u> |
| Business-type activities: | | | | | | | |
| GO Revenue Refunding Bonds - 2012A | 2.00-3.00 | 2/01 8/01 | 4/5/12 | 2/1/19 | 4,955,000 | 1,995,000 | 2,960,000 |
| Total primary government bonds payable | | | | | <u>\$ 21,260,000</u> | <u>\$ 5,385,000</u> | <u>\$ 15,875,000</u> |
| <u>Component unit</u> | | | | | | | |
| Business-type activities: | | | | | | | |
| Governmental Housing Project Refunding Bonds - 2011A | 3.00-3.25 | 04/01 10/01 | 2/23/11 | 10/1/23 | 3,165,000 | 1,020,000 | 2,145,000 |
| Governmental Housing Project Refunding Bonds - 2012A | 2.00-3.25 | 02/01 08/01 | 4/5/12 | 2/1/35 | 9,890,000 | 160,000 | 9,730,000 |
| Total component unit bonds payable | | | | | <u>\$ 13,055,000</u> | <u>\$ 1,180,000</u> | <u>\$ 11,875,000</u> |

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2016

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 |
| | 2017 | \$ 1,145,000 | \$ 370,251 | \$ 965,000 | \$ 74,325 | \$ 690,000 |
| 2018 | 1,185,000 | 334,995 | 990,000 | 45,000 | 710,000 | 293,338 |
| 2019 | 1,240,000 | 297,991 | 1,005,000 | 15,075 | 730,000 | 276,188 |
| 2020 | 1,285,000 | 259,319 | - | - | 745,000 | 258,588 |
| 2021 | 1,345,000 | 217,859 | - | - | 770,000 | 240,538 |
| 2022-2026 | 5,985,000 | 464,014 | - | - | 3,060,000 | 934,600 |
| 2027-2031 | 730,000 | 8,213 | - | - | 2,705,000 | 581,213 |
| 2032-2035 | - | - | - | - | 2,465,000 | 160,225 |
| | <u>\$ 12,915,000</u> | <u>\$ 1,952,642</u> | <u>\$ 2,960,000</u> | <u>\$ 134,400</u> | <u>\$ 11,875,000</u> | <u>\$ 3,054,775</u> |

D. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2016 was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Amounts due within one year |
|--|----------------------|----------------------|---------------------|----------------------|--------------------------------|
| Primary government: | | | | | |
| Governmental activities: | | | | | |
| Bonds payable: | | | | | |
| General obligation bonds | \$ 12,065,000 | \$ - | \$ 825,000 | \$ 11,240,000 | \$ 955,000 |
| General obligation bonds - tax increment | 1,845,000 | - | 170,000 | 1,675,000 | 190,000 |
| Deferred amounts: | | | | | |
| Issuance premiums (discounts) | 435,747 | - | 79,989 | 355,758 | - |
| Total bonds payable | 14,345,747 | - | 1,074,989 | 13,270,758 | 1,145,000 |
| OPEB liability | 1,510,646 | 362,177 | 156,314 | 1,716,509 | - |
| Net pension liability | 17,915,436 | 32,495,944 | 6,018,925 | 44,392,455 | - |
| Compensated absences | 2,569,496 | 1,955,494 | 1,728,351 | 2,796,639 | 1,780,201 |
| Governmental activity | | | | | |
| Long-term liabilities | 36,341,325 | 34,813,615 | 8,978,579 | 62,176,361 | 2,925,201 |
| Business-type activities: | | | | | |
| Bonds payable: | | | | | |
| General obligation bonds - refunding | 3,895,000 | - | 935,000 | 2,960,000 | 965,000 |
| Deferred amounts: | | | | | |
| Issuance premiums (discounts) | 281,071 | - | 30,943 | 250,128 | - |
| Business-type activity | | | | | |
| Long-term liabilities | 4,176,071 | - | 965,943 | 3,210,128 | 965,000 |
| Primary government | | | | | |
| Long-term liabilities | <u>\$ 40,517,396</u> | <u>\$ 34,813,615</u> | <u>\$ 9,944,522</u> | <u>\$ 65,386,489</u> | <u>\$ 3,890,201</u> |
| Component unit: | | | | | |
| Business-type activities: | | | | | |
| Bonds payable: | | | | | |
| General obligation bonds | \$ 240,000 | \$ - | \$ 240,000 | \$ - | \$ - |
| General obligation bonds - refunding | 12,305,000 | - | 430,000 | 11,875,000 | 690,000 |
| Deferred amounts: | | | | | |
| Issuance premiums (discounts) | 1,372 | - | (18,859) | 20,231 | - |
| Total bonds payable | 12,546,372 | - | 651,141 | 11,895,231 | 690,000 |
| Compensated absences | 4,886 | 8,760 | 6,520 | 7,126 | 7,126 |
| Component unit | | | | | |
| Long-term liabilities | <u>\$ 12,551,258</u> | <u>\$ 8,760</u> | <u>\$ 657,661</u> | <u>\$ 11,902,357</u> | <u>\$ 697,126</u> |

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2016

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, OPEB and net pension liability, which are reported in the internal service funds, are included in the above amounts. Also, for the governmental activities, compensated absences, OPEB and net pension liability 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.

There are a number of financial limitations and restrictions contained in the various bond indentures. At December 31, 2016, the City is in compliance with all significant financial limitations and restrictions and has no federal arbitrage payable.

E. PLEDGED REVENUE

The following table reflects bonds in which revenue is pledged to meet the debt obligations required.

| Bond Issue | Use of Proceeds | Revenue Pledged | | | Remaining Principal and Interest | Current Year | |
|--|---|-----------------|-------------------------------|--|----------------------------------|-----------------------------|--------------------------|
| | | Type | Percent of Total Debt Service | Term of Pledge | | Principal and Interest Paid | Pledged Revenue Received |
| Water Refunding Bonds - 2012A | Bond originally issued for Water Treatment System | Utility Charges | 100% | 2012-2019 | \$ 3,094,400 | \$ 1,037,825 | \$ 1,089,716 |
| Tax Increment Refunding Bonds - 2009A | Site Improvements within Housing District | Tax Increment | 100% | 2010-until debt obligations are paid in full | \$ 1,897,625 | \$ 230,700 | \$ 189,515 |
| Governmental Housing Refunding Bonds - 2011A | Governmental Housing Project | Rental Revenue | 100% | 2011-2023 | \$ 2,416,364 | \$ 343,287 | \$ 150,499 |
| Governmental Housing Refunding Bonds - 2012A | Senior Housing Project | Rental Revenue | 100% | 2015-2035 | \$ 12,513,412 | \$ 410,600 | \$ 723,199 |

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2016

Note 6: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2016, is as follows:

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 1.5% to 4.0%.

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|--------------------------|-----------------------|---------------------|
| General | Nonmajor Governmental | \$ 4,011 |
| General Capital Projects | Nonmajor Governmental | 697,900 |
| Nonmajor Governmental | Nonmajor Governmental | 895,103 |
| Nonmajor Governmental | Ice Center | 1,433,715 |
| | | <u>\$ 3,030,729</u> |

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

| <u>Transfer In:</u> | | | | |
|-----------------------------|-------------------|-----------------------|-------------------------------------|---------------------------------|
| Transfer Out: | <u>General</u> | <u>Transit System</u> | <u>General Capital Projects</u> | <u>Improvement Projects</u> |
| General | \$ - | \$ - | \$ 1,886,495 | \$ 21,620 |
| Improvement Projects | 207,343 | - | 3,486,703 | - |
| Nonmajor Governmental Funds | 41,946 | - | 3,778,932 | 14,759,173 |
| Water Sewer Utility | - | - | - | 2,260,778 |
| Ice Center | - | - | 131,861 | - |
| Water Resources | - | 18,330 | - | 204,690 |
| Nonmajor Enterprise Funds | - | - | 182,942 | - |
| Internal Service Funds | 79,271 | - | 501,779 | - |
| Total | <u>\$ 328,560</u> | <u>\$ 18,330</u> | <u>\$ 9,968,712</u> | <u>\$ 17,246,261</u> |

| <u>Transfer In:</u> | | | | |
|-----------------------------|--|--------------------------------|-----------------------------------|----------------------|
| Transfer Out: | <u>Nonmajor Governmental Funds</u> | <u>Water/Sewer Utility</u> | <u>Internal Service Funds</u> | <u>Total</u> |
| General | \$ - | \$ - | \$ 154,500 | \$ 2,062,615 |
| Improvement Projects | - | 94,084 | 84,890 | 3,873,020 |
| Nonmajor Governmental Funds | 60,875 | - | - | 18,640,926 |
| Water Sewer Utility | - | - | 124,222 | 2,385,000 |
| Ice Center | - | - | - | 131,861 |
| Water Resources | - | - | - | 223,020 |
| Nonmajor Enterprise Funds | - | - | - | 182,942 |
| Internal Service Funds | - | - | 59,229 | 640,279 |
| Total Transfers | <u>\$ 60,875</u> | <u>\$ 94,084</u> | <u>\$ 422,841</u> | <u>\$ 28,139,663</u> |

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2016

Note 7: CONTINGENCIES AND COMMITMENTS

Federal and State Funding

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

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's 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, 2016, there were 15 series of Industrial Revenue, Housing Revenue, and Health Revenue Bonds outstanding with an aggregate principal amount payable of approximately \$57.7 million.

Encumbrances

The encumbrances summarized below have been reported as assigned fund balance within the General Fund as of December 31, 2016. The purchase orders remain open for future services related to active construction projects.

| | <u>General</u> |
|-----------------------------|-------------------|
| Repair and maintenance (PO) | \$ 96,391 |
| Supplies and services (PO) | <u>63,683</u> |
| Total | <u>\$ 160,074</u> |

Note 8: TAX ABATEMENT AGREEMENTS

The City, in order to spur economic development and redevelopment will enter into private development and redevelopment agreements to encourage a developer to construct, expand, or improve new or existing properties and buildings or clean-up and redevelop blighted areas. These agreements may in substance be a tax abatement but will depend on their individual circumstances.

The City is authorized to create a tax increment financing plan under Minnesota Statute, Chapter 469.175. The criteria that must be met under the statute are that, in the opinion of the municipality:

- The proposed development or redevelopment would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future;
- The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the district permitted by the plan. The requirements of this item do not apply if the district is a housing district;
- The tax increment financing plan conforms to the general plan for the development or redevelopment of the municipality as a whole; and
- The tax increment financing plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the development or redevelopment of the project by private enterprise.

The City has development agreements with private developers for properties within the City's Tax Increment Districts. As part of the agreements, the City has agreed to reimburse the developers for certain costs through pay-as-you-go tax increment notes. The notes provide for the payment of principal equal to the developers' costs, plus interest at rates ranging from 6.0% to 8.5%. Payments of the notes will be made at the lesser of the scheduled note payments or the accrual net tax increment received during the period specified in the agreement. Each note will be cancelled at the end of the agreement term, whether it has been fully repaid or not. The accumulated outstanding principal balance of these notes as of December 31, 2016 is \$2,436,250. These notes are not included in the City's long-term debt, because repayment is required only to the extent sufficient tax increments are received. The City's position is that this is an obligation to assign future and uncertain revenue sources and, as such, is not actual debt in substance.

The City currently has four agreements that would be considered a tax abatement under GASB Statement No. 77. For these agreements, the City used an economic development vehicle known as tax increment financing whereby tax increment revenue is generated on the incremental increase in value above a base value established on the date that the tax increment district is created.

The four agreements were to assist the developer with the financing of certain costs of a project constructed within the Development District and are as follows:

- In 2006, the City entered into a development agreement with Common Bond. The City will abate 95 percent of the incremental taxes received through execution of a tax increment revenue note to be retired in 2034. The outstanding principal balance as of December 31, 2016 was \$87,602 and the City rebated \$5,721 in the current year.
- In 2012, the City entered into a development agreement with KTJ 198, LLC. The City will abate 90 percent of the incremental taxes received through execution of a tax increment revenue note to be retired in 2034. The outstanding principal balance as of December 31, 2016 was \$1,353,825 and the City rebated \$163,834 in the current year.
- In 2001, the City entered into a development agreement with Continental Property Group. The City will abate 73 percent of the incremental taxes received through execution of a tax increment revenue note to be retired in 2037. The outstanding principal balance as of December 31, 2016 was \$158,591 and the City rebated \$131,775 in the current year.
- In 2001, the City entered into a development agreement with Plymouth Leased Housing. The City will abate 95 percent of the incremental taxes received through execution of a tax increment revenue note to be retired in 2037. The outstanding principal balance as of December 31, 2016 was \$836,232 and the City rebated \$101,830 in the current year.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2016

Note 9: 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. 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 as this is more economically justifiable than obtaining insurance on its own.

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 Statute 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 \$500,000 in the case of one claimant or \$1,500,000 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 investment 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 coverage for each of the past three fiscal years.

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

| | <u>2015</u> | <u>2016</u> |
|--|-------------------|-------------------|
| Liability at beginning of year | \$ 395,134 | \$ 384,482 |
| Incurred claims and changes in estimates | 130,831 | 552,777 |
| Claims paid | (141,483) | (270,562) |
| Liability at end of year | <u>\$ 384,482</u> | <u>\$ 666,697</u> |

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

| | <u>2015</u> | <u>2016</u> |
|--|------------------|------------------|
| Liability at beginning of year | \$ 55,022 | \$ 53,421 |
| Incurred claims and changes in estimates | 203,638 | 232,382 |
| Claims paid | (205,239) | (227,141) |
| Liability at end of year | <u>\$ 53,421</u> | <u>\$ 58,662</u> |

Note 10: RETIREMENT PLANS

DEFINED BENEFIT PENSION PLANS – STATEWIDE

A. Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the PERA. PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code.

1. General Employees Retirement Fund (GERF)

All full-time and certain part-time employees of the City are covered by the General Employees Retirement Fund (GERF). GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan.

2. Public Employees Police and Fire Fund (PEPFF)

The PEPFF, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the PEPFF also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to the PERA.

B. Benefits Provided

The PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the State Legislature.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90 percent funded for two consecutive years are given 2.5 percent increases. Members in plans that have not exceeded 90 percent funded, or have fallen below 80 percent, are given 1 percent increases.

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

1. GERF Benefits

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 the PERA's Coordinated and Basic 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 for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

2. PEPFF Benefits

Benefits for PEPFF members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50 percent after five years up to 100 percent after 10 years of credited service. Benefits for PEPFF members first hired after June 30, 2014, vest on a prorated basis from 50 percent after 10 years up to 100 percent after 20 years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. For PEPFF members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Note 10: RETIREMENT PLANS – CONTINUED

C. Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the State Legislature.

1. GERP Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in calendar year 2016. The City was required to contribute 7.50 percent for Coordinated Plan members in calendar year 2016. The City's contributions to the GERP for the year ended December 31, 2016 were \$948,459. The City's contributions were equal to the required contributions as set by state statute.

2. PEPFF Contributions

Plan members were required to contribute 10.8 percent of their annual covered salary in calendar year 2015. The City was required to contribute 16.20 percent of pay for PEPFF members in calendar year 2015. The City's regular contributions to the PEPFF for the year ended December 31, 2016 were \$1,154,248. The City's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

1. GERP Pension Costs

At December 31, 2016, the City reported a liability of \$15,979,184 for its proportionate share of the GERP's net pension liability. The City's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$6 million to the fund in 2016. The state of Minnesota is considered a non-employer contributing entity and the State of Minnesota's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the City totaled \$208,725. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2015 through June 30, 2016, relative to the total employer contributions received from all of the PERA's participating employers. At June 30, 2016, the City's proportionate share was 0.1968 percent, which was an increase of 0.0048 percent from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the City recognized pension expense of \$2,021,101 for its proportionate share of the GERP's pension expense. In addition, the City recognized an additional \$62,236 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of \$6 million to the GERP.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2016

Note 10: RETIREMENT PLANS – CONTINUED

At December 31, 2016, the City reported its proportionate share of the GERS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual economic experience | \$ — | \$ 1,289,710 |
| Changes in actuarial assumptions | 3,128,738 | — |
| Differences between projected and actual investment earnings | 3,015,256 | — |
| Changes in proportion | 186,571 | 648,255 |
| Contributions paid to the PERA subsequent to the measurement date | <u>477,060</u> | <u>—</u> |
| Total | <u>\$ 6,807,625</u> | <u>\$ 1,937,965</u> |

\$477,060 reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ended December 31,</u> | <u>Pension Expense Amount</u> |
|------------------------------------|---------------------------------------|
| 2017 | \$ 1,108,017 |
| 2018 | \$ 1,108,017 |
| 2019 | \$ 1,599,369 |
| 2020 | \$ 577,197 |

2. PEPFF Pension Costs

At December 31, 2016, the City reported a liability of \$28,413,271 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2015 through June 30, 2016, relative to the total employer contributions received from all of the PERA's participating employers. At June 30, 2016, the City's proportion was 0.7080 percent, which was an increase of 0.0070 percent from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the City recognized pension expense of \$4,942,244 for its proportionate share of the PEPFF's pension expense. The City also recognized \$63,720 for the year ended December 31, 2016, as pension expense (and an offsetting reduction of net pension liability) for its proportionate share of the state of Minnesota's on-behalf contributions to the PEPFF. Legislation passed in 2013 required the state of Minnesota to begin contributing \$9 million to the PEPFF each year, starting in fiscal year 2014.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2016

Note 10: RETIREMENT PLANS – CONTINUED

At December 31, 2016, the City reported its proportionate share of the PEPFF’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual economic experience | \$ – | \$ 3,249,221 |
| Changes in actuarial assumptions | 15,637,064 | – |
| Differences between projected and actual investment earnings | 4,325,671 | – |
| Changes in proportion | 102,282 | – |
| Contributions paid to the PERA subsequent to the measurement date | <u>582,793</u> | <u>–</u> |
| Total | <u>\$ 20,647,810</u> | <u>\$ 3,249,221</u> |

\$582,793 reported as deferred outflows of resources related to pensions resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ended December 31,</u> | <u>Pension Expense Amount</u> |
|------------------------------------|---------------------------------------|
| 2017 | \$ 3,616,312 |
| 2018 | \$ 3,616,312 |
| 2019 | \$ 3,616,312 |
| 2020 | \$ 3,269,370 |
| 2021 | \$ 2,697,490 |

E. Actuarial Assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions:

| | |
|------------------------------|----------------|
| Inflation | 2.50% per year |
| Active member payroll growth | 3.25% per year |
| Investment rate of return | 7.50% |

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on RP-2014 tables for the GERF and RP-2000 tables for the PEPFF for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be: 1 percent effective every January 1st for GERF and PEPFF.

Actuarial assumptions used in the June 30, 2016, valuation were based on the results of actuarial experience studies. The experience study in the GERF was for the period July 1, 2004 through June 30, 2008, with an update of economic assumptions in 2015. The experience study for the PEPFF was for the period July 1, 2004 through June 30, 2009.

Note 10: RETIREMENT PLANS – CONTINUED

The following changes in actuarial assumptions occurred in 2016:

General Employees Fund

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Police and Fire Fund

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

The long-term expected rate of return on pension plan investments is 7.5 percent. The State Board of Investment, which manages the investments of the PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------|--------------------------|---|
| Domestic stocks | 45% | 5.50% |
| International stocks | 15% | 6.00% |
| Bonds | 18% | 1.45% |
| Alternative assets | 20% | 6.40% |
| Cash | 2% | 0.50% |

F. Discount Rate

The discount rate used to measure the total pension liability was 7.5 percent, a reduction of the 7.9 percent used in 2015. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, fiduciary net position of the GERP was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In the PEPFF, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2056. Beginning in fiscal years ended June 30, 2057, when projected benefit payments exceed the funds' projected fiduciary net position, benefit payments were discounted at the municipal bond rate of 2.85% based on an index of 20-year general obligation bonds with an average AA credit rating at the measurement date. An equivalent single discount rate of 5.60% was determined that produced approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 7.50% applied to all years of projected benefits through the point of asset depletion and 2.85% after.

Note 10: RETIREMENT PLANS – CONTINUED

G. Pension Liability Sensitivity

The following presents the City’s proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

| | 1% Decrease in Discount Rate <u>(6.5%)</u> | Discount Rate <u>(7.5%)</u> | 1% Increase in Discount Rate <u>(8.5%)</u> |
|--|--|--------------------------------|--|
| The City’s proportionate share of the GERF net pension liability | \$ 22,695,177 | \$ 15,979,184 | \$ 10,447,034 |
| | 1% Decrease in Discount Rate <u>(4.6%)</u> | Discount Rate <u>(5.6%)</u> | 1% Increase in Discount Rate <u>(6.6%)</u> |
| The City’s proportionate share of the PEPPF net pension liability | \$ 39,774,810 | \$ 28,413,271 | \$ 19,130,033 |

H. Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the PERA website at www.mnpera.org

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 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 plan provisions, including 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 employee contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may 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, the PERA receives 2 percent of employer contributions and twenty-five hundredths of 1 percent (0.0025) of the assets in each member’s account annually.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2016

Note 10: RETIREMENT PLANS – CONTINUED

Total contributions made by the City for the last three fiscal years were:

| For the Year Ended December 31, | Contribution Amount | | Percentage of Covered Payroll | | Required Rate for Employees and Employers |
|---------------------------------------|---------------------|----------|-------------------------------|----------|---|
| | Employee | Employer | Employee | Employer | |
| 2016 | \$ 3,320 | \$ 3,320 | 5% | 5% | 5% |
| 2015 | \$ 3,190 | \$ 3,190 | 5% | 5% | 5% |
| 2014 | \$ 3,490 | \$ 3,490 | 5% | 5% | 5% |

PLYMOUTH FIREFIGHTERS’ RELIEF ASSOCIATION RETIREMENT PLAN - SINGLE EMPLOYER

A. Plan Description

All members of the City of Plymouth Fire Department (the Department) are covered by a defined benefit plan administered by the Plymouth Firefighters’ Relief Association (the Association). As of December 31, 2016, the plan covered 91 active firefighters and 20 vested terminated firefighters whose pension benefits are deferred. The plan is a single employer retirement plan and is established and administered in accordance with Minnesota Statute, Chapter 69.

The Association maintains a separate Special Fund to accumulate assets to fund the retirement benefits earned by the Department’s membership. Funding for the Association is derived from an insurance premium tax in accordance with the Volunteer Firefighter’s Relief Association Financing Guidelines Act of 1971 (Chapter 261 as amended by Chapter 509 of Minnesota Statutes 1980). Funds are also derived from investment income.

B. Benefits Provided

A firefighter who completes at least 20 years as an active member of the Department is entitled, after age 50, to a full service pension upon retirement.

The bylaws of the Association also provide for an early vested service pension for a retiring member who has completed fewer than 20 years of service. The reduced pension, available to members with 10 years of service, shall be equal to 60 percent of the pension as described by the bylaws. This percentage increases 4 percent per year so that at 20 years of service, the full amount prescribed is paid. Members who retire with less than 20 years of service and have reached the age of 50 years and have completed at least 10 years of active membership are entitled to a reduced service pension not to exceed the amount calculated by multiplying the member’s service pension for the completed years of service times the applicable non-forfeitable percentage of pension.

C. Contributions

Minnesota Statutes, Chapters 424 and 424A authorize pension benefits for volunteer fire relief associations. The plan is funded by fire state aid, investment earnings, and, if necessary, employer contributions as specified in Minnesota Statutes and voluntary city contributions (if applicable). The state of Minnesota contributed \$489,748 in fire state aid to the plan on behalf of the Department for the year ended December 31, 2016, which was recorded as a revenue. Required employer contributions are calculated annually based on statutory provisions. The City’s statutorily-required contributions to the plan for the year ended December 31, 2016 were \$0. The City made no voluntary contributions to the plan. Furthermore, the firefighter has no obligation to contribute to the plan.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2016

Note 10: RETIREMENT PLANS – CONTINUED

D. Pension Costs

At December 31, 2016, the City reported a net pension liability (asset) of (\$2,882,516) for the plan. The net pension liability (asset) was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability (asset) in accordance with GASB Statement No. 68 was determined by applying an actuarial formula to specific census data certified by the Department as of December 31, 2016.

The following table presents the changes in net pension liability (asset) during the year:

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (Asset) (a-b) |
|---------------------------------------|-----------------------------------|---------------------------------------|---|
| Beginning balance – January 1, 2016 | \$ 4,974,352 | \$ 8,117,065 | \$ (3,142,713) |
| Changes for the year | | | |
| Service cost | 246,422 | – | 246,422 |
| Interest on pension liability (asset) | 297,396 | – | 297,396 |
| Change in assumptions | (113,973) | – | (113,973) |
| Change in benefit terms | 797,225 | – | 797,225 |
| Contributions (state) | – | 489,748 | (489,748) |
| Asset (gain)/loss | – | 507,848 | (507,848) |
| Benefit payments | (528,341) | (528,341) | – |
| Administrative costs | – | (30,723) | 30,723 |
| Total net changes | <u>698,729</u> | <u>438,532</u> | <u>260,197</u> |
| Ending balance – December 31, 2016 | <u>\$ 5,673,081</u> | <u>\$ 8,555,597</u> | <u>\$ (2,882,516)</u> |

For the year ended December 31, 2016, the City recognized pension revenue of \$489,748 and pension expense of \$970,078.

At December 31, 2016, the City reported deferred inflows of resources and deferred outflows of resources, related to pension from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Change in assumptions | \$ – | \$ 101,167 |
| Net difference between projected and actual earnings on plan investments | <u>264,772</u> | <u>–</u> |
| Total | <u>\$ 264,772</u> | <u>\$ 101,167</u> |

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2016

Note 10: RETIREMENT PLANS – CONTINUED

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

| | | |
|------------|----|----------|
| 2017 | \$ | 77,371 |
| 2018 | \$ | 77,371 |
| 2019 | \$ | 77,369 |
| 2020 | \$ | (18,563) |
| 2021 | \$ | (12,806) |
| Thereafter | \$ | (37,137) |

E. Actuarial Assumptions

The total pension liability at December 31, 2016 was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

Retirement eligibility at 100 percent service pension at age 50 with 20 years of service, early vested retirement at age 50 with 10 years of service vested at 60 percent and increased by 4 percent for each additional year of service up to 20 and eligibility for deferred service pension payable at age 50 with 20 years of service

| | |
|------------------------------|----------------|
| Inflation rate | 2.75% per year |
| Investment rate of return | 7.00% |
| 20 year municipal bond yield | 3.38% |

There was a change in actuarial assumptions in 2016, increasing the discount rate from 6.0 percent to 7.0 percent.

The 7 percent long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates for expected future real rates of return (expected returns, net of inflation) were developed for each asset class using the plan's target investment allocation along with long-term return expectations by asset class. Inflation expectations were applied to derive the nominal rate of return for the portfolio.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|------------------------------|-------------------|--|
| Domestic equity | 36.99 % | 5.58 % |
| International equity | 20.00 | 5.71 |
| Fixed income | 40.99 | 2.27 |
| Real estate and alternatives | 0.00 | 4.44 |
| Cash and equivalents | 2.02 | 0.84 |
| Total | 100.00 % | 7.00 % |

F. Discount Rate

The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions to the plan will be made as specified in statute. Based on that assumption and considering the funding ratio of the plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 10: RETIREMENT PLANS – CONTINUED

G. Pension Liability (Asset) Sensitivity

The following presents the City’s net pension liability (asset) for the plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City’s net pension liability (asset) would be if it were calculated using a discount rate 1 percent lower or 1 percent higher than the current discount rate:

| | 1 Percent Decrease (6.00%) | Current (7.00%) | 1 Percent Increase (8.00%) |
|-------------------------------|-------------------------------|-----------------|-------------------------------|
| Net pension liability (asset) | \$ (2,724,843) | \$ (2,882,516) | \$ (3,033,181) |

H. Pension Plan Fiduciary Net Position

The Association issues a publicly available financial report. This report may be obtained by writing to the Plymouth Firefighters’ Relief Association, P.O. Box 47101, 3400 Plymouth Blvd., Plymouth, MN 55447.

Note 11: OTHER POSTEMPLOYMENT BENEFITS PLAN

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 2016, the City contributed \$156,314.

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 costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

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 | \$ 387,415 |
| Interest on Net OPEB Obligation | 60,426 |
| Adjustment to Annual Required Contribution | (85,664) |
| Annual OPEB Cost | 362,177 |
| Contributions made | (156,314) |
| Increase in Net OPEB Obligation | 205,863 |
| Net OPEB Obligation beginning of year | 1,510,646 |
| Net OPEB Obligation end of year | <u>\$ 1,716,509</u> |

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2016

Note 11: OTHER POSTEMPLOYMENT BENEFITS PLAN – CONTINUED

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 |
|----------------------|---------------------|--------------------------|---|------------------------|
| 2016 | \$362,177 | \$156,314 | 43.2% | \$1,716,509 |
| 2015 | \$355,017 | \$133,070 | 37.5% | \$1,510,646 |
| 2014 | \$345,624 | \$192,490 | 55.7% | \$1,288,699 |

D. Funding Status and Funding Progress

As of January 1, 2015, the actuarial accrued liability for benefits was \$3,146,617 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 \$17,432,097, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 18.1%.

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.

For the January 1, 2015 actuarial valuation, the projected unit credit with thirty year amortization of the unfunded liability method was used. The actuarial assumptions included a discount rate of 4.0% (net of investment expenses), an inflation rate of 2.5%, and an annual healthcare cost trend rate of 7.5% initially, reduced to an ultimate rate of 5.0% in five years. The UAAL is being amortized on a level dollar basis over a closed period. The remaining amortization period at December 31, 2015 was 30 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 RP2014 mortality tables from the Society of Actuaries.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2016

Note 11: OTHER POSTEMPLOYMENT BENEFITS PLAN – CONTINUED

F. Plan Members

The following summarizes the participant data at January 1, 2015, the date of the latest actuarial valuation:

| | |
|---|------------|
| Active participants | 235 |
| Participants/surviving Spouses receiving benefits | 13 |
| Spouses of Retired Participants receiving benefit | <u>4</u> |
| Total participants | <u>252</u> |

Note 12: FUND BALANCES

The following is a breakdown of equity components of governmental funds which are defined earlier in the report.

A. Classifications

| | Primary Government | | | | | Nonmajor Governmental Funds | Total |
|---------------------------------------|----------------------|---------------------|-----------------------------|-------------------------|----------------------|-----------------------------------|-------|
| | Special Revenue | | Capital Projects | | | | |
| | General Fund | Transit | General Capital Projects | Improvement Projects | | | |
| Nonspendable | | | | | | | |
| Prepaid items | \$ 76,991 | \$ 3,455 | \$ – | \$ – | \$ 1,461 | \$ 81,907 | |
| Advances to other funds | 4,011 | – | – | – | – | 4,011 | |
| Cemetery Perpetual Care - Principal | – | – | – | – | 45,860 | 45,860 | |
| Inventory | – | – | – | – | 1,988 | 1,988 | |
| Total nonspendable | <u>81,002</u> | <u>3,455</u> | <u>–</u> | <u>–</u> | <u>49,309</u> | <u>133,766</u> | |
| Restricted | | | | | | | |
| Transit Services | – | 7,218,575 | – | – | – | 7,218,575 | |
| Lawful Gambling | – | – | – | – | 13,806 | 13,806 | |
| Debt Service | – | – | – | – | 2,343,868 | 2,343,868 | |
| Housing Projects | – | – | – | – | 98,148 | 98,148 | |
| Highway/Street Improvements | – | – | – | – | 2,838,794 | 2,838,794 | |
| Park Construction | – | – | – | – | 4,889,703 | 4,889,703 | |
| Tax Increment Financing | – | – | – | – | 2,873,631 | 2,873,631 | |
| Cemetery Perpetual Care | – | – | – | – | 145,388 | 145,388 | |
| Total restricted | <u>–</u> | <u>7,218,575</u> | <u>–</u> | <u>–</u> | <u>13,203,338</u> | <u>20,421,913</u> | |
| Assigned | | | | | | | |
| Infrastructure Improvements | – | – | – | – | 8,292,398 | 8,292,398 | |
| Recreation Programming | – | – | – | – | 447,959 | 447,959 | |
| Park Improvements | – | – | – | – | 2,351,005 | 2,351,005 | |
| Cemetery Maintenance | – | – | – | – | 144,512 | 144,512 | |
| Other capital projects & improvements | 160,074 | – | 7,480,337 | 4,170,863 | 11,622,638 | 23,433,912 | |
| Total assigned | <u>160,074</u> | <u>–</u> | <u>7,480,337</u> | <u>4,170,863</u> | <u>22,858,512</u> | <u>34,669,786</u> | |
| Unassigned | <u>14,835,705</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>14,835,705</u> | |
| Total | <u>\$ 15,076,781</u> | <u>\$ 7,222,030</u> | <u>\$ 7,480,337</u> | <u>\$ 4,170,863</u> | <u>\$ 36,111,159</u> | <u>\$ 70,061,170</u> | |

Note 12: FUND BALANCES – CONTINUED

B. Minimum Unassigned Fund Balance Policy

The City has formally adopted a fund balance policy regarding the minimum fund balance for the General Fund. The policy establishes a minimum General Fund balance of 40% percent of the subsequent year projected expenditures and transfers out. At December 31, 2016, the fund balance of the General Fund was 40% percent of the subsequent year's annual projected expenditures and transfers out.



REQUIRED SUPPLEMENTARY INFORMATION

Schedule of City's and Non-Employer Proportionate Share of Net Pension Liability
PERA - General Employees Retirement Fund
Required Supplementary Information (Last Ten Years*)

| City Fiscal Year End Date | PERA Fiscal Year End Date (Measurement Date) | City's Proportion of the Net Pension Liability | City's Proportionate Share of the Net Pension Liability (a) | State's Proportionate Share of the Net Pension Liability Associated with the City (b) | City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City (a+b) | City's Covered Payroll (c) | City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c) | Plan Fiduciary Net Position as a Percentage of the total Pension Liability |
|---------------------------|--|--|---|---|---|----------------------------|--|--|
| 12/31/2016 | 6/30/2016 | 0.1968% | \$ 15,979,184 | \$ 208,725 | \$ 16,187,909 | \$ 12,176,534 | 131.23% | 68.90% |
| 12/31/2015 | 6/30/2015 | 0.1920% | \$ 9,950,436 | \$ - | \$ 9,950,436 | \$ 11,283,040 | 88.19% | 78.20% |

Schedule of City Contributions
PERA - General Employees Retirement Fund
Required Supplementary Information (Last Ten Years*)

| City Fiscal Year End Date | PERA Fiscal Year End Date (Measurement Date) | Statutorily Required Contributions (a) | Contributions in Relation to the Statutorily Required Contributions (b) | Contribution Deficiency (Excess) (a-b) | Covered Payroll (d) | Contributions as a Percentage of Covered Payroll (b/d) |
|---------------------------|--|--|---|--|---------------------|--|
| 12/31/2016 | 6/30/2016 | \$ 948,459 | \$ 948,459 | \$ - | \$ 12,645,800 | 7.50% |
| 12/31/2015 | 6/30/2015 | \$ 867,352 | \$ 867,352 | \$ - | \$ 11,564,653 | 7.50% |

* - The City implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2015 measurement date). This schedule is provided prospectively beginning with the fiscal year ended December 31, 2015.

**Schedule of City's Proportionate Share of Net Pension Liability
PERA - Public Employees Police and Fire Fund
Required Supplementary Information (Last Ten Years*)**

| <u>City Fiscal Year End Date</u> | <u>PERA Fiscal Year End Date (Measurement Date)</u> | <u>City's Proportion of the Net Pension Liability</u> | <u>City's Proportionate Share of the Net Pension Liability (a)</u> | <u>City's Covered Payroll (b)</u> | <u>City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/b)</u> | <u>Plan Fiduciary Net Position as a Percentage of the total Pension Liability</u> |
|--|---|---|--|---------------------------------------|---|---|
| 12/31/2016 | 6/30/2016 | 0.7080% | \$ 28,413,271 | \$ 6,825,726 | 416.27% | 63.90% |
| 12/31/2015 | 6/30/2015 | 0.7010% | \$ 7,965,000 | \$ 6,414,783 | 124.17% | 86.60% |

**Schedule of City Contributions
PERA - Public Employees Police and Fire Fund
Required Supplementary Information (Last Ten Years*)**

| <u>City Fiscal Year End Date</u> | <u>PERA Fiscal Year End Date (Measurement Date)</u> | <u>Statutorily Required Contributions (a)</u> | <u>Contributions in Relation to the Statutorily Required Contributions (b)</u> | <u>Contribution Deficiency (Excess) (a-b)</u> | <u>Covered Payroll (d)</u> | <u>Contributions as a Percentage of Covered Payroll (b/d)</u> |
|--|---|---|--|---|----------------------------|---|
| 12/31/2016 | 6/30/2016 | \$ 1,154,248 | \$ 1,154,248 | \$ - | \$ 7,125,502 | 16.20% |
| 12/31/2015 | 6/30/2015 | \$ 1,059,442 | \$ 1,059,442 | \$ - | \$ 6,541,475 | 16.20% |

* - The City implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2015 measurement date). This schedule is provided prospectively beginning with the fiscal year ended December 31, 2015.

**Schedule of Changes in the Plymouth Firefighters'
Relief Association's Net Pension Asset and Related Ratios
Required Supplementary Information (Last Ten Years*)**

| | December 31, 2016 | December 31, 2015 |
|--|-----------------------|-----------------------|
| Total Pension Liability | | |
| Service cost | \$ 246,422 | \$ 239,827 |
| Interest | 297,396 | 306,924 |
| Change in assumptions | (113,973) | - |
| Change in benefit | 797,225 | - |
| Benefit payments | (528,341) | (895,936) |
| Net change in total pension liability | 698,729 | (349,185) |
| Total pension liability - beginning | 4,974,352 | 5,323,537 |
| Total pension liability - ending | <u>\$ 5,673,081</u> | <u>\$ 4,974,352</u> |
| Plan Fiduciary Net Position | | |
| Contributions (state and local) | \$ 489,748 | \$ 480,863 |
| Net investment income | 507,848 | 19,391 |
| Benefit payments | (528,341) | (895,936) |
| Administrative costs | (30,723) | (25,044) |
| Net change in plan fiduciary net position | 438,532 | (420,726) |
| Total pension liability - beginning | 8,117,065 | 8,537,791 |
| Total pension liability - ending | <u>\$ 8,555,597</u> | <u>\$ 8,117,065</u> |
| Net pension liability/(asset) - ending | <u>\$ (2,882,516)</u> | <u>\$ (3,142,713)</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 150.81% | 163.18% |

**Schedule of Employer Contributions -
Plymouth Firefighters' Relief Association
Required Supplementary Information (Last Ten Years*)**

| City Fiscal Year End Date | Actuarial Determined Contributions (a) | Contributions in Relation to the Actuarial Determined Contributions (b) | Contribution Deficiency (Excess) (a-b) | Voluntary City Contribution |
|---------------------------------|--|---|--|-----------------------------------|
| 12/31/16 | \$ 108,897 | \$ 489,748 | \$ (380,851) | \$ - |
| 12/31/15 | \$ 108,897 | \$ 480,863 | \$ (371,966) | \$ - |

* This schedule is provided prospectively beginning with the fiscal year ended December 31, 2015

Note: This is a volunteer firefighters' relief association. There is no percentage of payroll to calculate.

**Other Postemployment Benefits Plan
Schedule of Funding Progress ****

| Actuarial Valuation Date | Actuarial Accrued Liability | Actuarial Value of Plan Assets | Unfunded Actuarial Accrued Liability | Funded Ratio | Covered Payroll | Unfunded Liability as a Percentage of Payroll |
|-----------------------------|-----------------------------------|--------------------------------------|---|--------------|-----------------|--|
| January 1, 2015 | \$ 3,146,617 | \$ - | \$ 3,146,617 | 0.0% | \$ 17,432,097 | 18.1% |
| January 1, 2013 | \$ 3,008,511 | \$ - | \$ 3,008,511 | 0.0% | \$ 16,645,698 | 18.1% |
| January 1, 2011 | \$ 3,072,106 | \$ - | \$ 3,072,106 | 0.0% | \$ 16,110,899 | 19.1% |

** - Refer to Note 11 in the Notes to the basic financial statements for additional details regarding this Schedule of Funding Progress.

NOTES TO SCHEDULE OF CHANGES IN NET PENSION LIABILITIES AND RELATED RATIOS

A. GENERAL EMPLOYEES RETIREMENT FUND PENSION PLAN

1. 2016 Changes

- Changes in Actuarial Assumptions:
 - The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
 - The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
 - Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

2. 2015 Changes

- Changes in Plan Provisions:
 - On January 1, 2015 the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.
- Changes in Actuarial Assumptions:
 - The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% per year thereafter.

B. PUBLIC EMPLOYEES POLICE AND FIRE FUND PENSION PLAN

1. 2016 Changes

- Changes in Actuarial Assumptions:
 - The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% thereafter to 1.0% per year for all future years.
 - The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
 - The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

2. 2015 Changes

- Changes in Plan Provisions:
 - The post-retirement benefit increase to be paid after attainment of the 90% funding threshold was changed, from inflation up to 2.5%, to a fixed rate of 2.5%.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2016

B. PUBLIC EMPLOYEES POLICE AND FIRE FUND PENSION PLAN – CONTINUED

- Changes in Actuarial Assumptions:
 - The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2037 and 2.5% per year thereafter.

C. PLYMOUTH FIREFIGHTERS’ RELIEF ASSOCIATION

1. 2016 Changes

- Change in Actuarial Assumptions:
 - The discount rate was changed from 6.0% to 7.0%.



**NONMAJOR GOVERNMENTAL COMBINING
AND INDIVIDUAL FUNDS**

**CITY OF PLYMOUTH, MINNESOTA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2016
(with comparative totals for December 31, 2015)**

| | Special Revenue | Debt Service | Capital Project | Permanent Fund | Totals | |
|--|---------------------|---------------------|----------------------|-------------------|----------------------|----------------------|
| | | | | | 2016 | 2015 |
| ASSETS | | | | | | |
| Cash and investments | \$ 1,124,222 | \$ 3,035,160 | \$ 31,008,699 | \$ 190,413 | \$ 35,358,494 | \$ 42,186,297 |
| Accounts receivable | 24,171 | - | 512,402 | - | 536,573 | 558,429 |
| Notes receivable | 1,358,511 | - | 836,000 | - | 2,194,511 | 2,204,294 |
| Taxes receivable | 8,818 | 16,824 | 55,232 | - | 80,874 | 51,111 |
| Special assessments receivable | - | 2,576 | 33,154 | - | 35,730 | 36,564 |
| Accrued interest receivable | 79,162 | - | 199,726 | 835 | 279,723 | 263,629 |
| Due from other governments | 36,113 | - | - | - | 36,113 | 51,628 |
| Inventory | 1,988 | - | - | - | 1,988 | 2,356 |
| Prepaid items | 1,461 | - | - | - | 1,461 | 2,077 |
| Advances to other funds | - | - | 2,328,818 | - | 2,328,818 | 2,803,172 |
| TOTAL ASSETS | \$ 2,634,446 | \$ 3,054,560 | \$ 34,974,031 | \$ 191,248 | \$ 40,854,285 | \$ 48,159,557 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 35,415 | \$ 500 | \$ 368,177 | \$ - | \$ 404,092 | \$ 307,585 |
| Accrued salaries and benefits payable | 38,159 | - | - | - | 38,159 | 28,184 |
| Deposits payable | 1,900 | - | - | - | 1,900 | 2,000 |
| Due to other governments | 11,627 | - | 6,373 | - | 18,000 | 25,570 |
| Advances from other funds | - | 697,900 | 899,114 | - | 1,597,014 | 1,897,186 |
| Accrued interest on advances | - | - | - | - | - | 109 |
| Unearned revenue | 252,790 | - | 13,192 | - | 265,982 | 252,664 |
| Total liabilities | 339,891 | 698,400 | 1,286,856 | - | 2,325,147 | 2,513,298 |
| Deferred inflows of resources: | | | | | | |
| Unavailable revenue | 1,437,990 | 12,292 | 967,697 | - | 2,417,979 | 2,404,330 |
| Fund balances: | | | | | | |
| Nonspendable | 3,449 | - | - | 45,860 | 49,309 | 50,293 |
| Restricted | 111,954 | 2,343,868 | 10,602,128 | 145,388 | 13,203,338 | 12,671,942 |
| Assigned | 741,162 | - | 22,117,350 | - | 22,858,512 | 30,519,694 |
| Total fund balances | 856,565 | 2,343,868 | 32,719,478 | 191,248 | 36,111,159 | 43,241,929 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 2,634,446 | \$ 3,054,560 | \$ 34,974,031 | \$ 191,248 | \$ 40,854,285 | \$ 48,159,557 |

CITY OF PLYMOUTH, MINNESOTA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2016
(with comparative actual amounts for year ended December 31, 2015)

| | Special Revenue | Debt Service | Capital Project | Permanent Fund | Totals | |
|--|--------------------|---------------------|----------------------|-------------------|----------------------|----------------------|
| | | | | | 2016 | 2015 |
| REVENUES: | | | | | | |
| Property taxes | \$ 602,486 | \$ 1,523,203 | \$ 4,726,410 | \$ - | \$ 6,852,099 | \$ 6,769,799 |
| Special assessments | - | - | 6,714 | - | 6,714 | 22,557 |
| Licenses and permits | - | - | 133,337 | - | 133,337 | 156,086 |
| Intergovernmental | 311,277 | 19 | 2,290,163 | - | 2,601,459 | 2,860,170 |
| Charges for services | 1,203,725 | - | 29,351 | - | 1,233,076 | 1,257,117 |
| Franchise fees | - | - | 2,164,036 | - | 2,164,036 | 2,630,711 |
| Contributions | 70,212 | - | 1,946,112 | - | 2,016,324 | 3,389,385 |
| Investment earnings | 11,768 | 426 | 578,402 | 1,834 | 592,430 | 680,110 |
| Loan repayments | 8,063 | - | - | - | 8,063 | 7,836 |
| Other revenues | 1,685 | - | 80,000 | - | 81,685 | 10 |
| Total revenues | <u>2,209,216</u> | <u>1,523,648</u> | <u>11,954,525</u> | <u>1,834</u> | <u>15,689,223</u> | <u>17,773,781</u> |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | 7 | - | 2,227 | - | 2,234 | 1,801 |
| Economic development | 38 | - | 693,929 | - | 693,967 | 690,321 |
| Parks and recreation | 1,780,159 | - | 3,306 | - | 1,783,465 | 1,741,794 |
| Public service | 282,264 | - | - | - | 282,264 | 495,799 |
| Public works | - | - | 5,862 | 50 | 5,912 | 5,931 |
| Interest on interfund advances | - | 30,694 | 33,085 | - | 63,779 | 55,835 |
| Debt service: | | | | | | |
| Principal retirement | - | 995,000 | - | - | 995,000 | 1,810,000 |
| Interest and fiscal charges | - | 407,771 | - | - | 407,771 | 601,488 |
| Bond issuance costs | - | - | - | - | - | 62,939 |
| Capital outlay | 5,550 | - | - | - | 5,550 | 23,074 |
| Total expenditures | <u>2,068,018</u> | <u>1,433,465</u> | <u>738,409</u> | <u>50</u> | <u>4,239,942</u> | <u>5,488,982</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>141,198</u> | <u>90,183</u> | <u>11,216,116</u> | <u>1,784</u> | <u>11,449,281</u> | <u>12,284,799</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Transfers in | - | 40,737 | 20,138 | - | 60,875 | 5,246,941 |
| Transfers out | (62,084) | - | (18,578,842) | - | (18,640,926) | (15,132,991) |
| General obligation bonds issued | - | - | - | - | - | 3,295,000 |
| Premium on bonds issued | - | - | - | - | - | 121,407 |
| Payment of refunded bonds | - | - | - | - | - | (4,575,000) |
| Total other financing sources (uses) | <u>(62,084)</u> | <u>40,737</u> | <u>(18,558,704)</u> | <u>-</u> | <u>(18,580,051)</u> | <u>(11,044,643)</u> |
| NET CHANGE IN FUND BALANCES | <u>79,114</u> | <u>130,920</u> | <u>(7,342,588)</u> | <u>1,784</u> | <u>(7,130,770)</u> | <u>1,240,156</u> |
| FUND BALANCES AT BEGINNING OF YEAR | <u>777,451</u> | <u>2,212,948</u> | <u>40,062,066</u> | <u>189,464</u> | <u>43,241,929</u> | <u>42,001,773</u> |
| FUND BALANCES AT END OF YEAR | <u>\$ 856,565</u> | <u>\$ 2,343,868</u> | <u>\$ 32,719,478</u> | <u>\$ 191,248</u> | <u>\$ 36,111,159</u> | <u>\$ 43,241,929</u> |



SPECIAL REVENUE FUNDS – NONMAJOR

Recreation Fund - Transfers are received from the General Fund and revenue from participants in the City's recreational programs. These revenues are used to finance the recreational programs offered to the citizens of Plymouth and other participants.

Parkers Lake Cemetery Maintenance Fund - Revenues derived from the sale of cemetery lots are receipted into this fund and are used to finance cemetery maintenance costs.

Community Development Fund - This fund is used to account for funds to assist with financing the costs of community development functions, such as comprehensive plan updates, land use maps, and other development activities.

Economic Development Fund - This fund was established to account for activities to encourage economic development by supplementing conventional financing sources available to existing and new businesses.

Community Development Block Grant Fund - This fund receives and expends the City's allocation of the Federal Community Development Block Grant Program funds. The primary beneficiaries from the activities of this fund are persons of low and moderate income.

Lawful Gambling Fund - The Plymouth Lions manage lawful gambling operations in the City of Plymouth. The City receives fees and makes expenditures in accordance with state statutes.

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**CITY OF PLYMOUTH, MINNESOTA
SPECIAL REVENUE FUNDS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2016
(with comparative totals for December 31, 2015)**

| | <u>Recreation</u> | <u>Parkers Lake Cemetery Maintenance</u> | <u>Community Development</u> | <u>Economic Development</u> | <u>Community Development Block Grant</u> |
|--|--------------------------|--|----------------------------------|---------------------------------|--|
| <u>ASSETS</u> | | | | | |
| Cash and investments | \$ 739,664 | \$ 143,881 | \$ 56,018 | \$ 91,041 | \$ 88,018 |
| Accounts receivable | 15,099 | - | - | 987 | - |
| Notes receivable | - | - | 225,000 | 121,374 | 1,012,137 |
| Taxes receivable | 8,738 | - | - | - | 80 |
| Accrued interest receivable | 3,496 | 631 | 42,349 | 399 | 32,166 |
| Due from other governments | 3,012 | - | - | - | 33,101 |
| Inventory | 1,988 | - | - | - | - |
| Prepaid items | 1,461 | - | - | - | - |
| TOTAL ASSETS | <u>\$ 773,458</u> | <u>\$ 144,512</u> | <u>\$ 323,367</u> | <u>\$ 213,801</u> | <u>\$ 1,165,502</u> |
| <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u> | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 13,927 | \$ - | \$ - | \$ - | \$ 21,488 |
| Accrued salaries and benefits payable | 36,286 | - | - | - | 1,873 |
| Deposits payable | 1,900 | - | - | - | - |
| Due to other governments | 11,627 | - | - | - | - |
| Unearned revenue | 252,790 | - | - | - | - |
| Total liabilities | <u>316,530</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>23,361</u> |
| Deferred inflows of resources: | | | | | |
| Unavailable revenue | <u>5,520</u> | <u>-</u> | <u>267,103</u> | <u>121,374</u> | <u>1,043,993</u> |
| Fund balances: | | | | | |
| Nonspendable | 3,449 | - | - | - | - |
| Restricted | - | - | - | - | 98,148 |
| Assigned | 447,959 | 144,512 | 56,264 | 92,427 | - |
| Total fund balances | <u>451,408</u> | <u>144,512</u> | <u>56,264</u> | <u>92,427</u> | <u>98,148</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | <u>\$ 773,458</u> | <u>\$ 144,512</u> | <u>\$ 323,367</u> | <u>\$ 213,801</u> | <u>\$ 1,165,502</u> |

| Lawful Gambling | Totals | |
|--------------------|---------------------|---------------------|
| | 2016 | 2015 |
| \$ 5,600 | \$ 1,124,222 | \$ 1,005,692 |
| 8,085 | 24,171 | 20,422 |
| - | 1,358,511 | 1,368,294 |
| - | 8,818 | 5,056 |
| 121 | 79,162 | 73,651 |
| - | 36,113 | 51,628 |
| - | 1,988 | 2,356 |
| - | 1,461 | 2,077 |
| <u>\$ 13,806</u> | <u>\$ 2,634,446</u> | <u>\$ 2,529,176</u> |
| | | |
| \$ - | \$ 35,415 | \$ 18,116 |
| - | 38,159 | 28,184 |
| - | 1,900 | 2,000 |
| - | 11,627 | 18,877 |
| - | 252,790 | 242,359 |
| <u>-</u> | <u>339,891</u> | <u>309,536</u> |
| | | |
| - | 1,437,990 | 1,442,189 |
| | | |
| - | 3,449 | 4,433 |
| 13,806 | 111,954 | 76,128 |
| - | 741,162 | 696,890 |
| <u>13,806</u> | <u>856,565</u> | <u>777,451</u> |
| | | |
| <u>\$ 13,806</u> | <u>\$ 2,634,446</u> | <u>\$ 2,529,176</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, 2016
(with comparative actual amounts for year ended December 31, 2015)

| | <u>Recreation</u> | <u>Parkers Lake Cemetery Maintenance</u> | <u>Community Development</u> | <u>Economic Development</u> | <u>Community Development Block Grant</u> |
|--|-------------------|--|----------------------------------|---------------------------------|--|
| REVENUES: | | | | | |
| Property taxes | \$ 600,388 | \$ - | \$ - | \$ - | \$ 2,098 |
| Intergovernmental | 10 | - | - | - | 311,267 |
| Charges for services | 1,203,595 | 130 | - | - | - |
| Contributions | 28,300 | - | - | - | - |
| Investment earnings | 4,768 | 1,430 | 540 | 4,539 | 237 |
| Loan repayments | - | - | - | 8,063 | - |
| Other revenues | 1,685 | - | - | - | - |
| Total revenues | <u>1,838,746</u> | <u>1,560</u> | <u>540</u> | <u>12,602</u> | <u>313,602</u> |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| General government | - | - | - | - | - |
| Economic development | - | - | 15 | 23 | - |
| Parks and recreation | 1,780,159 | - | - | - | - |
| Public service | - | 3,750 | - | - | 278,514 |
| Capital outlay | 5,550 | - | - | - | - |
| Total expenditures | <u>1,785,709</u> | <u>3,750</u> | <u>15</u> | <u>23</u> | <u>278,514</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>53,037</u> | <u>(2,190)</u> | <u>525</u> | <u>12,579</u> | <u>35,088</u> |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Transfers in | - | - | - | - | - |
| Transfers out | (20,138) | - | - | - | - |
| Total other financing sources (uses) | <u>(20,138)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | 32,899 | (2,190) | 525 | 12,579 | 35,088 |
| FUND BALANCES AT BEGINNING OF YEAR | <u>418,509</u> | <u>146,702</u> | <u>55,739</u> | <u>79,848</u> | <u>63,060</u> |
| FUND BALANCES AT END OF YEAR | <u>\$ 451,408</u> | <u>\$ 144,512</u> | <u>\$ 56,264</u> | <u>\$ 92,427</u> | <u>\$ 98,148</u> |

| Lawful Gambling | Totals | |
|--------------------|-------------------|-------------------|
| | 2016 | 2015 |
| \$ - | \$ 602,486 | \$ 586,527 |
| - | 311,277 | 481,391 |
| - | 1,203,725 | 1,237,376 |
| 41,912 | 70,212 | 50,087 |
| 254 | 11,768 | 16,214 |
| - | 8,063 | 7,836 |
| - | 1,685 | 10 |
| <u>42,166</u> | <u>2,209,216</u> | <u>2,379,441</u> |
| 7 | 7 | 6 |
| - | 38 | 29 |
| - | 1,780,159 | 1,739,500 |
| - | 282,264 | 495,799 |
| - | 5,550 | 23,074 |
| <u>7</u> | <u>2,068,018</u> | <u>2,258,408</u> |
| <u>42,159</u> | <u>141,198</u> | <u>121,033</u> |
| - | - | 38,665 |
| <u>(41,946)</u> | <u>(62,084)</u> | <u>(69,446)</u> |
| <u>(41,946)</u> | <u>(62,084)</u> | <u>(30,781)</u> |
| 213 | 79,114 | 90,252 |
| <u>13,593</u> | <u>777,451</u> | <u>687,199</u> |
| <u>\$ 13,806</u> | <u>\$ 856,565</u> | <u>\$ 777,451</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, 2016
(with comparative actual amounts for year ended December 31, 2015)**

| | 2016 | | 2015 | |
|--|---------------------------------|-------------------|----------------------------------|-------------------|
| | Original and Final Budget | Actual | Variance with Final Budget | Actual |
| REVENUES: | | | | |
| Property taxes | \$ 601,665 | \$ 600,388 | \$ (1,277) | \$ 572,986 |
| Intergovernmental | - | 10 | 10 | 17 |
| Charges for services | 1,208,725 | 1,203,595 | (5,130) | 1,237,261 |
| Contributions | 9,000 | 28,300 | 19,300 | 13,500 |
| Investment earnings | 8,000 | 4,768 | (3,232) | 7,326 |
| Other revenues | 1,300 | 1,685 | 385 | 10 |
| Total revenues | <u>1,828,690</u> | <u>1,838,746</u> | <u>10,056</u> | <u>1,831,100</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Parks and recreation: | | | | |
| Personal services | 1,086,130 | 1,060,229 | 25,901 | 1,005,812 |
| Materials and supplies | 60,700 | 75,600 | (14,900) | 61,701 |
| Contractual services | 661,722 | 644,330 | 17,392 | 671,987 |
| Capital outlay | - | 5,550 | (5,550) | 23,074 |
| Total expenditures | <u>1,808,552</u> | <u>1,785,709</u> | <u>22,843</u> | <u>1,762,574</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>20,138</u> | <u>53,037</u> | <u>32,899</u> | <u>68,526</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | - | 38,665 |
| Transfers out | (20,138) | (20,138) | - | (32,700) |
| Total other financing sources (uses) | <u>(20,138)</u> | <u>(20,138)</u> | <u>-</u> | <u>5,965</u> |
| NET CHANGE IN FUND BALANCE | - | 32,899 | 32,899 | 74,491 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>418,509</u> | <u>418,509</u> | <u>-</u> | <u>344,018</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 418,509</u> | <u>\$ 451,408</u> | <u>\$ 32,899</u> | <u>\$ 418,509</u> |

**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, 2016
(with comparative actual amounts for year ended December 31, 2015)**

| | 2016 | | 2015 | |
|-----------------------------------|--|------------------|---|------------------|
| | Original and Final Budget | Actual | Variance with Final Budget | Actual |
| REVENUES: | | | | |
| Property taxes | \$ 2,102 | \$ 2,098 | \$ (4) | \$ 13,541 |
| Intergovernmental | 293,760 | 311,267 | 17,507 | 481,374 |
| Investment earnings | 600 | 237 | (363) | 479 |
| Total revenues | <u>296,462</u> | <u>313,602</u> | <u>17,140</u> | <u>495,394</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public service: | | | | |
| Personal services | 42,196 | 34,879 | 7,317 | 58,228 |
| Materials and supplies | 300 | 126 | 174 | 506 |
| Contractual services | 253,966 | 243,509 | 10,457 | 432,075 |
| Total expenditures | <u>296,462</u> | <u>278,514</u> | <u>17,948</u> | <u>490,809</u> |
| NET CHANGE IN FUND BALANCE | - | 35,088 | 35,088 | 4,585 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>63,060</u> | <u>63,060</u> | - | <u>58,475</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 63,060</u> | <u>\$ 98,148</u> | <u>\$ 35,088</u> | <u>\$ 63,060</u> |

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DEBT SERVICE FUNDS – NONMAJOR

General Obligation Bonds Fund - This fund is used to account for the accumulation of resources for payment of general obligation bonds or other general indebtedness and interest thereon.

Tax Increment Bonds Fund - This fund is used to account for the accumulation of resources for payment of tax increment general obligation bonds and interest thereon. These bonds were sold to finance the construction of public collector and distributor roadway improvements, drainage improvements, and other public development costs in the City.

Special Assessment Bonds Fund - This fund is used to account for the accumulation of resources for the payment of special assessment bonds. These bonds were sold to finance certain public improvements such as residential streets, sidewalks, storm sewers, or the provision of services, which are to be paid for wholly or in part from special assessments, levied against benefited property.

**CITY OF PLYMOUTH, MINNESOTA
DEBT SERVICE FUNDS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2016
(with comparative totals for December 31, 2015)**

| | General Obligation Bonds | Tax Increment Bonds | Special Assessment Bonds | Totals | |
|--|--------------------------------|---------------------------|--------------------------------|----------------------------|----------------------------|
| | | | | 2016 | 2015 |
| <u>ASSETS</u> | | | | | |
| Cash and investments | \$ 1,799,620 | \$ 876,188 | \$ 359,352 | \$ 3,035,160 | \$ 2,997,594 |
| Taxes receivable (rebates) | 15,921 | 1,220 | (317) | 16,824 | 11,190 |
| Special assessments receivable | - | - | 2,576 | 2,576 | 2,576 |
| TOTAL ASSETS | <u>\$ 1,815,541</u> | <u>\$ 877,408</u> | <u>\$ 361,611</u> | <u>\$ 3,054,560</u> | <u>\$ 3,011,360</u> |
| <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u> | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 500 | \$ - | \$ - | \$ 500 | \$ - |
| Advances from other funds | - | 697,900 | - | 697,900 | 790,202 |
| Total liabilities | <u>500</u> | <u>697,900</u> | <u>-</u> | <u>698,400</u> | <u>790,202</u> |
| Deferred inflows of resources: | | | | | |
| Unavailable revenue | <u>10,033</u> | <u>-</u> | <u>2,259</u> | <u>12,292</u> | <u>8,210</u> |
| Fund balances: | | | | | |
| Restricted | <u>1,805,008</u> | <u>179,508</u> | <u>359,352</u> | <u>2,343,868</u> | <u>2,212,948</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | <u>\$ 1,815,541</u> | <u>\$ 877,408</u> | <u>\$ 361,611</u> | <u>\$ 3,054,560</u> | <u>\$ 3,011,360</u> |

CITY OF PLYMOUTH, MINNESOTA
DEBT SERVICE FUNDS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2016
(with comparative actual amounts for year ended December 31, 2015)

| | General Obligation Bonds | Tax Increment Bonds | Special Assessment Bonds | Totals | |
|--|--------------------------------|---------------------------|--------------------------------|---------------------|---------------------|
| | | | | 2016 | 2015 |
| REVENUES: | | | | | |
| Property taxes | \$ 1,094,298 | \$ 428,905 | \$ - | \$ 1,523,203 | \$ 1,611,671 |
| Intergovernmental | 19 | - | - | 19 | 37 |
| Investment earnings | 238 | 128 | 60 | 426 | 12 |
| Total revenues | <u>1,094,555</u> | <u>429,033</u> | <u>60</u> | <u>1,523,648</u> | <u>1,611,720</u> |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| Interest on interfund advances | - | 30,694 | - | 30,694 | 16,700 |
| Debt service: | | | | | |
| Principal retirement | 825,000 | 170,000 | - | 995,000 | 1,810,000 |
| Interest and fiscal charges | 346,489 | 61,282 | - | 407,771 | 601,488 |
| Bond issuance costs | - | - | - | - | 62,939 |
| Total expenditures | <u>1,171,489</u> | <u>261,976</u> | <u>-</u> | <u>1,433,465</u> | <u>2,491,127</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(76,934)</u> | <u>167,057</u> | <u>60</u> | <u>90,183</u> | <u>(879,407)</u> |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Transfers in | - | 40,737 | - | 40,737 | 81,850 |
| Transfers out | - | - | - | - | (3,353,469) |
| General obligation bonds issued | - | - | - | - | 3,295,000 |
| Premium on bonds issued | - | - | - | - | 121,407 |
| Payment of refunded bonds | - | - | - | - | (4,575,000) |
| Total other financing sources (uses) | <u>-</u> | <u>40,737</u> | <u>-</u> | <u>40,737</u> | <u>(4,430,212)</u> |
| NET CHANGE IN FUND BALANCES | (76,934) | 207,794 | 60 | 130,920 | (5,309,619) |
| FUND BALANCES (DEFICITS) AT BEGINNING OF YEAR | <u>1,881,942</u> | <u>(28,286)</u> | <u>359,292</u> | <u>2,212,948</u> | <u>7,522,567</u> |
| FUND BALANCES AT END OF YEAR | <u>\$ 1,805,008</u> | <u>\$ 179,508</u> | <u>\$ 359,352</u> | <u>\$ 2,343,868</u> | <u>\$ 2,212,948</u> |



CAPITAL PROJECTS FUNDS – NONMAJOR

Minnesota State Aid Fund - This fund is used to account for the City's allocation of the state collected highway user tax. The allocation is based on population and need for construction of designated state aid streets in the City.

Community Improvement Fund - This fund is used to account for expenditures, which may be made only for items of a capital nature. Allowed expenditures are provided for by ordinance. Funds are deposited into this fund from surplus money or special assessment collections that remain after an improvement project has been fully funded and the bonds issued for the project paid.

Park Replacement Fund - This fund is used to account for the accumulation of resources for the major repairs and replacement of the City's park facilities and trails.

Infrastructure Replacement Fund - This fund is used to account for accumulation of resources for major infrastructure repair and replacement. The major source of revenue is property taxes.

Project Administration - Revenues received are a portion of all special assessments, which are levied on benefiting properties, and are used to provide funds for project contingencies and other special projects.

Park Construction Fund - These funds are used to account for the monies received from land developers and are used for the acquisition and development of park land.

Capital Improvement Fund - This fund was established to accumulate resources for capital improvements, such as building construction, without the need to issue bonds.

Tax Increment Projects Fund - This fund is used to account for expenditures incurred in the construction of public collector and distributor roadway improvements, drainage improvements, and other public development costs in the City.

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**CITY OF PLYMOUTH, MINNESOTA
CAPITAL PROJECT FUNDS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2016
(with comparative totals for December 31, 2015)**

| | <u>Minnesota State Aid</u> | <u>Community Improvement</u> | <u>Park Replacement</u> | <u>Infrastructure Replacement</u> | <u>Project Administration</u> |
|--|--------------------------------|----------------------------------|-----------------------------|---------------------------------------|-----------------------------------|
| <u>ASSETS</u> | | | | | |
| Cash and investments | \$ 2,826,416 | \$ 4,986,323 | \$ 2,852,957 | \$ 7,731,604 | \$ 539,979 |
| Accounts receivable | - | - | - | 512,402 | - |
| Notes receivable | - | - | - | - | - |
| Taxes receivable | - | - | 5,004 | 44,079 | - |
| Special assessments receivable | - | 33,154 | - | - | - |
| Accrued interest receivable | 12,378 | 21,881 | 12,493 | 33,073 | 2,369 |
| Advances to other funds | - | 895,103 | 392,018 | - | - |
| TOTAL ASSETS | \$ 2,838,794 | \$ 5,936,461 | \$ 3,262,472 | \$ 8,321,158 | \$ 542,348 |
| <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u> | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ 44 | \$ - |
| Due to other governments | - | - | - | - | - |
| Advances from other funds | - | - | 895,103 | - | - |
| Accrued interest on advances | - | - | - | - | - |
| Deferred revenue | - | - | 13,192 | - | - |
| Total liabilities | - | - | 908,295 | 44 | - |
| Deferred inflows of resources: | | | | | |
| Unavailable revenue | - | 30,948 | 3,172 | 28,716 | - |
| Fund balances: | | | | | |
| Restricted | 2,838,794 | - | - | - | - |
| Assigned | - | 5,905,513 | 2,351,005 | 8,292,398 | 542,348 |
| Total fund balances | 2,838,794 | 5,905,513 | 2,351,005 | 8,292,398 | 542,348 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 2,838,794 | \$ 5,936,461 | \$ 3,262,472 | \$ 8,321,158 | \$ 542,348 |

| Park Construction | Capital Improvement | Tax Increment Projects | Totals | |
|------------------------------|--------------------------------|---------------------------------------|----------------------|----------------------|
| | | | 2016 | 2015 |
| \$ 4,868,608 | \$ 3,964,814 | \$ 3,237,998 | \$ 31,008,699 | \$ 37,994,190 |
| - | - | - | 512,402 | 538,007 |
| - | - | 836,000 | 836,000 | 836,000 |
| - | 6,132 | 17 | 55,232 | 34,865 |
| - | - | - | 33,154 | 33,988 |
| 21,185 | 17,401 | 78,946 | 199,726 | 189,335 |
| - | 1,041,697 | - | 2,328,818 | 2,803,172 |
| <u>\$ 4,889,793</u> | <u>\$ 5,030,044</u> | <u>\$ 4,152,961</u> | <u>\$ 34,974,031</u> | <u>\$ 42,429,557</u> |
| | | | | |
| \$ 90 | \$ - | \$ 368,043 | \$ 368,177 | \$ 289,469 |
| - | - | 6,373 | 6,373 | 6,693 |
| - | - | 4,011 | 899,114 | 1,106,984 |
| - | - | - | - | 109 |
| - | - | - | 13,192 | 10,305 |
| <u>90</u> | <u>-</u> | <u>378,427</u> | <u>1,286,856</u> | <u>1,413,560</u> |
| | | | | |
| - | 3,958 | 900,903 | 967,697 | 953,931 |
| | | | | |
| 4,889,703 | - | 2,873,631 | 10,602,128 | 10,239,262 |
| - | 5,026,086 | - | 22,117,350 | 29,822,804 |
| <u>4,889,703</u> | <u>5,026,086</u> | <u>2,873,631</u> | <u>32,719,478</u> | <u>40,062,066</u> |
| | | | | |
| <u>\$ 4,889,793</u> | <u>\$ 5,030,044</u> | <u>\$ 4,152,961</u> | <u>\$ 34,974,031</u> | <u>\$ 42,429,557</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, 2016
(with comparative actual amounts for year ended December 31, 2015)

| | <u>Minnesota State Aid</u> | <u>Community Improvement</u> | <u>Park Replacement</u> | <u>Infrastructure Replacement</u> | <u>Project Administration</u> |
|--|--------------------------------|----------------------------------|-----------------------------|---------------------------------------|-----------------------------------|
| REVENUES: | | | | | |
| Property taxes | \$ - | \$ - | \$ 352,881 | \$ 2,958,435 | \$ - |
| Special assessments | - | 6,714 | - | - | - |
| Licenses and permits | - | - | - | 133,337 | - |
| Intergovernmental | 2,290,100 | - | 6 | 50 | - |
| Charges for services | - | - | 29,351 | - | - |
| Franchise fees | - | - | - | 2,164,036 | - |
| Contributions | - | - | - | - | - |
| Investment earnings | 28,438 | 76,563 | 59,610 | 243,653 | 5,203 |
| Other revenues | - | - | - | - | - |
| Total revenues | <u>2,318,538</u> | <u>83,277</u> | <u>441,848</u> | <u>5,499,511</u> | <u>5,203</u> |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| General government | - | 1,265 | - | - | - |
| Economic development | - | - | - | - | - |
| Parks and recreation | - | - | 959 | - | - |
| Public works | 819 | - | - | 4,902 | 141 |
| Interest on interfund advances | - | - | 33,085 | - | - |
| Total expenditures | <u>819</u> | <u>1,265</u> | <u>34,044</u> | <u>4,902</u> | <u>141</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>2,317,719</u> | <u>82,012</u> | <u>407,804</u> | <u>5,494,609</u> | <u>5,062</u> |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Transfers in | - | - | 20,138 | - | - |
| Transfers out | (508,463) | - | (1,520,258) | (12,659,449) | - |
| Total other financing sources (uses) | <u>(508,463)</u> | <u>-</u> | <u>(1,500,120)</u> | <u>(12,659,449)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | 1,809,256 | 82,012 | (1,092,316) | (7,164,840) | 5,062 |
| FUND BALANCES AT BEGINNING OF YEAR | <u>1,029,538</u> | <u>5,823,501</u> | <u>3,443,321</u> | <u>15,457,238</u> | <u>537,286</u> |
| FUND BALANCES AT END OF YEAR | <u>\$ 2,838,794</u> | <u>\$ 5,905,513</u> | <u>\$ 2,351,005</u> | <u>\$ 8,292,398</u> | <u>\$ 542,348</u> |

| Park Construction | Capital Improvement | Tax Increment Projects | Totals | |
|------------------------------|--------------------------------|---------------------------------------|----------------------|----------------------|
| | | | 2016 | 2015 |
| \$ - | \$ 418,573 | \$ 996,521 | \$ 4,726,410 | \$ 4,571,601 |
| - | - | - | 6,714 | 22,557 |
| - | - | - | 133,337 | 156,086 |
| - | 7 | - | 2,290,163 | 2,378,742 |
| - | - | - | 29,351 | 19,741 |
| - | - | - | 2,164,036 | 2,630,711 |
| 1,946,112 | - | - | 1,946,112 | 3,339,298 |
| 95,921 | 47,010 | 22,004 | 578,402 | 661,118 |
| - | - | 80,000 | 80,000 | - |
| <u>2,042,033</u> | <u>465,590</u> | <u>1,098,525</u> | <u>11,954,525</u> | <u>13,779,854</u> |
| - | 962 | - | 2,227 | 1,795 |
| - | - | 693,929 | 693,929 | 690,292 |
| 2,347 | - | - | 3,306 | 2,294 |
| - | - | - | 5,862 | 5,889 |
| - | - | - | 33,085 | 39,135 |
| <u>2,347</u> | <u>962</u> | <u>693,929</u> | <u>738,409</u> | <u>739,405</u> |
| <u>2,039,686</u> | <u>464,628</u> | <u>404,596</u> | <u>11,216,116</u> | <u>13,040,449</u> |
| - | - | - | 20,138 | 5,126,426 |
| <u>(3,849,935)</u> | <u>-</u> | <u>(40,737)</u> | <u>(18,578,842)</u> | <u>(11,710,076)</u> |
| <u>(3,849,935)</u> | <u>-</u> | <u>(40,737)</u> | <u>(18,558,704)</u> | <u>(6,583,650)</u> |
| (1,810,249) | 464,628 | 363,859 | (7,342,588) | 6,456,799 |
| <u>6,699,952</u> | <u>4,561,458</u> | <u>2,509,772</u> | <u>40,062,066</u> | <u>33,605,267</u> |
| <u>\$ 4,889,703</u> | <u>\$ 5,026,086</u> | <u>\$ 2,873,631</u> | <u>\$ 32,719,478</u> | <u>\$ 40,062,066</u> |

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PERMANENT FUNDS – NONMAJOR

Parkers Lake Cemetery Perpetual Care Fund - The Parkers Lake Cemetery Perpetual Care Fund was established to account for funds dedicated to perpetual maintenance of the cemetery; only earnings, and not principal, may be expended for major capital improvements.

**CITY OF PLYMOUTH, MINNESOTA
 PARKERS LAKE CEMETERY PERPETUAL CARE
 PERMANENT FUND
 NONMAJOR GOVERNMENTAL FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2016 AND 2015**

| | <u>2016</u> | <u>2015</u> |
|-----------------------------|-------------------|-------------------|
| <u>ASSETS</u> | | |
| Cash and investments | \$ 190,413 | \$ 188,821 |
| Accrued interest receivable | 835 | 643 |
| Total Assets | <u>\$ 191,248</u> | <u>\$ 189,464</u> |
| <u>FUND BALANCES</u> | | |
| Fund balance: | | |
| Nonspendable | \$ 45,860 | \$ 45,860 |
| Restricted | 145,388 | 143,604 |
| Total fund balance | <u>\$ 191,248</u> | <u>\$ 189,464</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, 2016 AND 2015**

| | <u>2016</u> | <u>2015</u> |
|-----------------------------------|--------------------------|--------------------------|
| REVENUES: | | |
| Investment earnings | \$ 1,834 | \$ 2,766 |
| EXPENDITURES: | | |
| Current: | | |
| Public works | <u>50</u> | <u>42</u> |
| NET CHANGE IN FUND BALANCE | 1,784 | 2,724 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>189,464</u> | <u>186,740</u> |
| FUND BALANCE AT END OF YEAR | <u><u>\$ 191,248</u></u> | <u><u>\$ 189,464</u></u> |



**GENERAL FUND
COMPARATIVE INFORMATION**

**CITY OF PLYMOUTH, MINNESOTA
GENERAL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2016 AND 2015**

| | Totals | |
|--|-----------------------------|-----------------------------|
| | 2016 | 2015 |
| <u>ASSETS</u> | | |
| Cash and investments | \$ 18,176,730 | \$ 18,104,236 |
| Accounts receivable | 347,717 | 87,855 |
| Taxes receivable | 375,512 | 218,979 |
| Special assessments receivable | 38,031 | 10,263 |
| Accrued interest receivable | 88,166 | 71,118 |
| Due from other governments | 205,486 | 296,977 |
| Inventory | - | 60 |
| Prepaid items | 76,991 | 68,454 |
| Advances to other funds | 4,011 | 4,159 |
| TOTAL ASSETS | <u>\$ 19,312,644</u> | <u>\$ 18,862,101</u> |
| <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 496,274 | \$ 605,166 |
| Accrued salaries and benefits payable | 856,046 | 736,525 |
| Deposits payable | 1,905,212 | 1,968,150 |
| Due to other governments | 61,381 | 76,851 |
| Unearned revenue | 585,011 | 681,404 |
| Total liabilities | <u>3,903,924</u> | <u>4,068,096</u> |
| Deferred inflows of resources: | | |
| Unavailable revenue | 331,939 | 195,821 |
| Fund balances: | | |
| Nonspendable | 81,002 | 68,514 |
| Assigned | 160,074 | 180,144 |
| Unassigned | 14,835,705 | 14,349,526 |
| Total fund balance | <u>15,076,781</u> | <u>14,598,184</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | <u>\$ 19,312,644</u> | <u>\$ 18,862,101</u> |

CITY OF PLYMOUTH, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES AND TRANSFERS - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(with comparative actual amounts for year ended December 31, 2015)

| | 2016 | | Variance with Final Budget | 2015 |
|---|---------------------------------|---------------|----------------------------------|---------------|
| | Original and Final Budget | Actual | | Actual |
| REVENUES: | | | | |
| Property taxes | \$ 25,278,373 | \$ 25,247,809 | \$ (30,564) | \$ 24,414,150 |
| Special assessments | 10,000 | 12,822 | 2,822 | 13,539 |
| Licenses and permits: | | | | |
| Nonbusiness | 3,194,600 | 4,039,352 | 844,752 | 5,420,914 |
| Business | 390,310 | 470,743 | 80,433 | 376,696 |
| Total licenses and permits | 3,584,910 | 4,510,095 | 925,185 | 5,797,610 |
| Intergovernmental: | | | | |
| State grants and aids | 1,902,250 | 3,017,976 | 1,115,726 | 2,377,478 |
| Federal grants | 62,598 | 58,144 | (4,454) | 70,999 |
| Other | 400,000 | 412,082 | 12,082 | 432,522 |
| Total intergovernmental | 2,364,848 | 3,488,202 | 1,123,354 | 2,880,999 |
| Charges for services | 3,864,430 | 3,959,231 | 94,801 | 2,385,480 |
| Fines and forfeitures | 713,500 | 443,918 | (269,582) | 635,906 |
| Contributions | 81,600 | 102,651 | 21,051 | 17,675 |
| Investment earnings (loss) | 260,000 | 102,490 | (157,510) | 222,252 |
| Other revenues | 106,800 | 268,028 | 161,228 | 236,937 |
| Total revenues | 36,264,461 | 38,135,246 | 1,870,785 | 36,604,548 |
| OTHER FINANCING SOURCES: | | | | |
| Transfers from other funds: | | | | |
| Lawful Gambling | 20,000 | 41,946 | 21,946 | - |
| Improvement Project Construction | 150,000 | 207,343 | 57,343 | 137,401 |
| Tax Increment Projects | - | - | - | 80,000 |
| Water Sewer Utility | - | - | - | 141,210 |
| Water Resources | - | - | - | 17,388 |
| Ice Center | - | - | - | 11,939 |
| Solid Waste | - | - | - | 17,929 |
| Field House | - | - | - | 3,824 |
| Resource Planning | 61,000 | 79,271 | 18,271 | 18,516 |
| Total other financing sources | 231,000 | 328,560 | 97,560 | 428,207 |
| TOTAL REVENUES AND OTHER FINANCING SOURCES | \$ 36,495,461 | \$ 38,463,806 | \$ 1,968,345 | \$ 37,032,755 |

CITY OF PLYMOUTH, MINNESOTA
GENERAL FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(with comparative actual amounts for year ended December 31, 2015)

| | 2016 | | Variance with Final Budget | 2015 |
|--|---------------------------------|----------------------|----------------------------------|----------------------|
| | Original and Final Budget | Actual | | Actual |
| GENERAL GOVERNMENT: | | | | |
| Personal services | \$ 3,423,188 | \$ 3,575,848 | \$ (152,660) | \$ 2,603,639 |
| Materials and supplies | 30,050 | 44,466 | (14,416) | 33,453 |
| Contractual services | 2,353,923 | 2,376,395 | (22,472) | 2,285,702 |
| Other | 642,025 | 1,331,593 | (689,568) | 624,278 |
| Total general government | <u>6,449,186</u> | <u>7,328,302</u> | <u>(879,116)</u> | <u>5,547,072</u> |
| PARKS AND RECREATION: | | | | |
| Personal services | 3,141,790 | 3,002,490 | 139,300 | 2,845,804 |
| Materials and supplies | 486,300 | 520,839 | (34,539) | 505,409 |
| Contractual services | 2,304,355 | 2,296,807 | 7,548 | 2,161,597 |
| Capital outlay | 10,000 | 13,564 | (3,564) | 6,877 |
| Other | 17,250 | 23,297 | (6,047) | 54,712 |
| Total parks and recreation | <u>5,959,695</u> | <u>5,856,997</u> | <u>102,698</u> | <u>5,574,399</u> |
| PUBLIC SAFETY: | | | | |
| Personal services | 13,211,223 | 12,865,115 | 346,108 | 11,979,530 |
| Materials and supplies | 328,830 | 369,626 | (40,796) | 341,137 |
| Contractual services | 3,962,200 | 3,926,081 | 36,119 | 3,821,579 |
| Capital outlay | - | 14,100 | (14,100) | 40,542 |
| Other | 546,150 | 639,877 | (93,727) | 577,899 |
| Total public safety | <u>18,048,403</u> | <u>17,814,799</u> | <u>233,604</u> | <u>16,760,687</u> |
| PUBLIC WORKS: | | | | |
| Personal services | 2,286,892 | 2,204,198 | 82,694 | 2,103,060 |
| Materials and supplies | 738,300 | 298,219 | 440,081 | 475,607 |
| Contractual services | 2,846,235 | 2,354,194 | 492,041 | 2,353,442 |
| Capital outlay | - | 65,304 | (65,304) | 36,297 |
| Other | 250 | 581 | (331) | 260 |
| Total public works | <u>5,871,677</u> | <u>4,922,496</u> | <u>949,181</u> | <u>4,968,666</u> |
| Total expenditures | <u>36,328,961</u> | <u>35,922,594</u> | <u>406,367</u> | <u>32,850,824</u> |
| OTHER FINANCING USES: | | | | |
| Transfers to other funds: | | | | |
| Recreation | - | - | - | 1,919 |
| Improvement Project Construction | - | 21,620 | (21,620) | 49,032 |
| General Capital Projects | - | 1,886,495 | (1,886,495) | 2,750,592 |
| Central Equipment | 12,000 | - | 12,000 | - |
| Resource Planning | 154,500 | 154,500 | - | 185,500 |
| Total other financing uses | <u>166,500</u> | <u>2,062,615</u> | <u>(1,896,115)</u> | <u>2,987,043</u> |
| TOTAL EXPENDITURES AND OTHER FINANCING USES | <u>\$ 36,495,461</u> | <u>\$ 37,985,209</u> | <u>\$ (1,489,748)</u> | <u>\$ 35,837,867</u> |

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PROPRIETARY COMBINING AND INDIVIDUAL FUNDS

Enterprise Funds - Nonmajor

Solid Waste Management Fund - The Solid Waste Management Fund provides collection services for various recyclable materials. Solid waste expenditures are primarily costs for curbside collections.

Field House Fund - The Field House Fund accounts for the operations of an inflatable dome erected over an indoor soccer field from October through March. Activities include soccer, football, golf, and walking.

Internal Service Funds

Central Equipment Fund - The Central Equipment Fund was established to own and maintain all operating equipment of the City. Equipment maintenance, repair, and replacement costs are provided from rental rates which the Central Equipment Fund charges the City's operating departments for use of equipment.

Public Facilities Fund - The Public Facilities Fund was established to provide services for the operations of City facilities. Facility maintenance, repair, and replacement costs are provided from charges to the City's operating departments for use of the facilities.

Information Technology Fund - The Information Technology Fund was established to account for the planning, designing, and implementing of information systems. Equipment and software maintenance repair, and replacement costs are provided from rental rates charged to the City's operating departments for use of equipment.

Risk Management Fund - The Risk Management Fund administers the City's property, casualty, and self-insured worker's compensation insurance programs. Fund revenues are primarily charges to other funds and interest earnings.

Employee Benefits Fund - The Employee Benefits Fund serves as the recording fund for all employee fringe benefits. Fund revenues are primarily charges to other funds and interest earnings.

Resource Planning Fund - The Resource Planning Fund is used to account for the accumulation of resources for future projects.

CITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2016
(with comparative totals for December 31, 2015)

| | <u>Solid Waste Management</u> | <u>Field House</u> | <u>Totals</u> | |
|---|-----------------------------------|----------------------------|----------------------------|----------------------------|
| | | | <u>2016</u> | <u>2015</u> |
| <u>ASSETS</u> | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 1,503,770 | \$ 1,689,697 | \$ 3,193,467 | \$ 3,518,251 |
| Accounts receivable | 128,515 | 167,381 | 295,896 | 55,698 |
| Special assessments receivable | 7,330 | - | 7,330 | - |
| Accrued interest receivable | 6,833 | 7,376 | 14,209 | 11,976 |
| Due from other governments | 5,837 | - | 5,837 | 2,149 |
| Prepaid items | 600 | 1,305 | 1,905 | 2,299 |
| Total current assets | <u>1,652,885</u> | <u>1,865,759</u> | <u>3,518,644</u> | <u>3,590,373</u> |
| Noncurrent assets: | | | | |
| Capital assets: | | | | |
| Land | - | 47,551 | 47,551 | 47,551 |
| Buildings | - | 1,306,187 | 1,306,187 | 1,306,187 |
| Improvements other than buildings | 134,949 | 248,368 | 383,317 | 383,317 |
| Machinery and equipment | - | 161,990 | 161,990 | 161,990 |
| Total capital assets | <u>134,949</u> | <u>1,764,096</u> | <u>1,899,045</u> | <u>1,899,045</u> |
| Less accumulated depreciation | <u>(10,732)</u> | <u>(1,043,426)</u> | <u>(1,054,158)</u> | <u>(985,593)</u> |
| Net capital assets | <u>124,217</u> | <u>720,670</u> | <u>844,887</u> | <u>913,452</u> |
| TOTAL ASSETS | <u>\$ 1,777,102</u> | <u>\$ 2,586,429</u> | <u>\$ 4,363,531</u> | <u>\$ 4,503,825</u> |
| <u>LIABILITIES</u> | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$ 68,589 | \$ 14,026 | \$ 82,615 | \$ 76,730 |
| Accrued salaries and benefits payable | 3,372 | 6,102 | 9,474 | 9,848 |
| Due to other governments | - | 951 | 951 | 949 |
| Unearned revenue | - | 239,168 | 239,168 | 70,990 |
| Total liabilities | <u>71,961</u> | <u>260,247</u> | <u>332,208</u> | <u>158,517</u> |
| <u>NET POSITION</u> | | | | |
| Net investment in capital assets | 124,217 | 720,670 | 844,887 | 913,452 |
| Unrestricted | <u>1,580,924</u> | <u>1,605,512</u> | <u>3,186,436</u> | <u>3,431,856</u> |
| Total net position | <u>1,705,141</u> | <u>2,326,182</u> | <u>4,031,323</u> | <u>4,345,308</u> |
| TOTAL LIABILITIES AND NET POSITION | <u>\$ 1,777,102</u> | <u>\$ 2,586,429</u> | <u>\$ 4,363,531</u> | <u>\$ 4,503,825</u> |

CITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2016
(with comparative totals for year ended December 31, 2015)

| | Solid Waste | Field | Totals | |
|---|---------------------|---------------------|---------------------|---------------------|
| | Management | House | 2016 | 2015 |
| OPERATING REVENUES: | | | | |
| Charges for services | \$ 579,226 | \$ 373,420 | \$ 952,646 | \$ 890,471 |
| Other fees | 16,881 | 2,272 | 19,153 | 21,042 |
| Total operating revenue | <u>596,107</u> | <u>375,692</u> | <u>971,799</u> | <u>911,513</u> |
| OPERATING EXPENSES: | | | | |
| Personal services | 148,891 | 115,618 | 264,509 | 300,702 |
| Materials and supplies | 2,263 | 4,323 | 6,586 | 11,592 |
| Contractual services | 918,464 | 102,248 | 1,020,712 | 959,711 |
| Depreciation | 4,821 | 63,745 | 68,566 | 69,569 |
| Total operating expenses | <u>1,074,439</u> | <u>285,934</u> | <u>1,360,373</u> | <u>1,341,574</u> |
| OPERATING INCOME (LOSS) | <u>(478,332)</u> | <u>89,758</u> | <u>(388,574)</u> | <u>(430,061)</u> |
| NONOPERATING REVENUES: | | | | |
| Investment earnings | 18,006 | 17,274 | 35,280 | 53,729 |
| Intergovernmental | 222,251 | - | 222,251 | 226,782 |
| Total nonoperating revenues | <u>240,257</u> | <u>17,274</u> | <u>257,531</u> | <u>280,511</u> |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | <u>(238,075)</u> | <u>107,032</u> | <u>(131,043)</u> | <u>(149,550)</u> |
| CAPITAL CONTRIBUTIONS | - | - | - | 54,886 |
| TRANSFERS OUT | <u>-</u> | <u>(182,942)</u> | <u>(182,942)</u> | <u>(84,287)</u> |
| CHANGES IN NET POSITION | <u>(238,075)</u> | <u>(75,910)</u> | <u>(313,985)</u> | <u>(178,951)</u> |
| NET POSITION AT BEGINNING OF YEAR | <u>1,943,216</u> | <u>2,402,092</u> | <u>4,345,308</u> | <u>4,524,259</u> |
| NET POSITION AT END OF YEAR | <u>\$ 1,705,141</u> | <u>\$ 2,326,182</u> | <u>\$ 4,031,323</u> | <u>\$ 4,345,308</u> |

CITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2016
(with comparative totals for year ended December 31, 2015)

| | <u>Solid Waste Management</u> | <u>Field House</u> | <u>Totals</u> | |
|---|-----------------------------------|------------------------|---------------------|---------------------|
| | | | <u>2016</u> | <u>2015</u> |
| CASH FLOWS FROM | | | | |
| OPERATING ACTIVITIES: | | | | |
| Receipts from customers or users | \$ 456,574 | \$ 432,187 | \$ 888,761 | \$ 868,253 |
| Payments to suppliers | (919,557) | (101,461) | (1,021,018) | (978,385) |
| Payments to employees | (150,904) | (113,979) | (264,883) | (297,910) |
| Net cash flows from operating activities | <u>(613,887)</u> | <u>216,747</u> | <u>(397,140)</u> | <u>(408,042)</u> |
| CASH FLOWS FROM NONCAPITAL | | | | |
| FINANCING ACTIVITIES: | | | | |
| Intergovernmental revenues | 222,251 | - | 222,251 | 226,782 |
| Transfers out to other funds | - | (182,942) | (182,942) | (84,287) |
| Net cash flows from noncapital financing activities | <u>222,251</u> | <u>(182,942)</u> | <u>39,309</u> | <u>142,495</u> |
| CASH FLOWS FROM | | | | |
| INVESTING ACTIVITIES: | | | | |
| Investment earnings | <u>17,565</u> | <u>15,482</u> | <u>33,047</u> | <u>54,691</u> |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (374,071) | 49,287 | (324,784) | (210,856) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>1,877,841</u> | <u>1,640,410</u> | <u>3,518,251</u> | <u>3,729,107</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>\$ 1,503,770</u> | <u>\$ 1,689,697</u> | <u>\$ 3,193,467</u> | <u>\$ 3,518,251</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Operating income (loss) | <u>\$ (478,332)</u> | <u>\$ 89,758</u> | <u>\$ (388,574)</u> | <u>\$ (430,061)</u> |
| Adjustments to reconcile operating income (loss) to net cash flows from operating activities: | | | | |
| Depreciation | 4,821 | 63,745 | 68,566 | 69,569 |
| Changes in assets and liabilities: | | | | |
| Accounts receivable | (128,515) | (111,683) | (240,198) | (44,537) |
| Special assessments receivable | (7,330) | - | (7,330) | - |
| Due from other governments | (3,688) | - | (3,688) | 4,071 |
| Prepaid expenses | - | 393 | 393 | (395) |
| Accounts payable | 2,119 | 3,766 | 5,885 | (7,636) |
| Due to other governments | (949) | 951 | 2 | 949 |
| Accrued salaries payable | (2,013) | 1,639 | (374) | 2,792 |
| Unearned revenue | - | 168,178 | 168,178 | (2,794) |
| Total adjustments | <u>(135,555)</u> | <u>126,989</u> | <u>(8,566)</u> | <u>22,019</u> |
| Net cash flows from operating activities | <u>\$ (613,887)</u> | <u>\$ 216,747</u> | <u>\$ (397,140)</u> | <u>\$ (408,042)</u> |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES: | | | | |
| Contributions of capital assets from City funds | - | - | - | 54,886 |

CITY OF PLYMOUTH, MINNESOTA
INTERNAL SERVICE FUNDS
PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2016
(with comparative totals for December 31, 2015)

| | <u>Central Equipment</u> | <u>Public Facilities</u> | <u>Information Technology</u> | <u>Risk Management</u> |
|---|------------------------------|------------------------------|-----------------------------------|----------------------------|
| <u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u> | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 7,049,058 | \$ 5,696,441 | \$ 5,050,875 | \$ 7,270,261 |
| Accounts receivable | 2,697 | - | - | 3,026 |
| Accrued interest receivable | 30,929 | 24,991 | 22,158 | 31,861 |
| Due from other governments | 4,084 | - | 6,655 | - |
| Inventory | 122,117 | - | - | - |
| Prepaid items | 1,375 | 1,915 | 280,131 | 121,469 |
| Total current assets | <u>7,210,260</u> | <u>5,723,347</u> | <u>5,359,819</u> | <u>7,426,617</u> |
| Noncurrent assets: | | | | |
| Capital assets: | | | | |
| Land | 33,520 | - | - | - |
| Buildings | - | 716,092 | - | - |
| Improvements other than buildings | - | 503,351 | 598,098 | - |
| Machinery and equipment | 19,150,121 | 869,695 | 1,869,763 | - |
| Infrastructure | - | - | 147,638 | - |
| Construction in progress | 59,883 | - | 37,267 | - |
| Total capital assets | <u>19,243,524</u> | <u>2,089,138</u> | <u>2,652,766</u> | <u>-</u> |
| Less accumulated depreciation | <u>(10,070,003)</u> | <u>(339,841)</u> | <u>(1,855,619)</u> | <u>-</u> |
| Net capital assets | <u>9,173,521</u> | <u>1,749,297</u> | <u>797,147</u> | <u>-</u> |
| Total assets | <u>16,383,781</u> | <u>7,472,644</u> | <u>6,156,966</u> | <u>7,426,617</u> |
| Deferred outflows of resources: | | | | |
| Pension plan deferments - PERA | - | - | - | - |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u>\$ 16,383,781</u> | <u>\$ 7,472,644</u> | <u>\$ 6,156,966</u> | <u>\$ 7,426,617</u> |
| <u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u> | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$ 65,575 | \$ 51,382 | \$ 15,422 | \$ 679,737 |
| Accrued salaries and benefits payable | 20,404 | 7,626 | 18,830 | 1,923 |
| Compensated absences payable | - | - | - | - |
| Due to other governments | - | 2,049 | 112 | - |
| Unearned revenue | - | - | - | - |
| Total current liabilities | <u>85,979</u> | <u>61,057</u> | <u>34,364</u> | <u>681,660</u> |
| Noncurrent liabilities: | | | | |
| OPEB (net) | - | - | - | - |
| Net pension liability | - | - | - | - |
| Compensated absences payable | - | - | - | - |
| Total noncurrent liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total liabilities | <u>85,979</u> | <u>61,057</u> | <u>34,364</u> | <u>681,660</u> |
| Deferred inflows of resources: | | | | |
| Pension plan deferments - PERA | - | - | - | - |
| <u>NET POSITION</u> | | | | |
| Net investment in capital assets | 9,173,521 | 1,749,297 | 797,147 | - |
| Unrestricted | <u>7,124,281</u> | <u>5,662,290</u> | <u>5,325,455</u> | <u>6,744,957</u> |
| Total net position | <u>16,297,802</u> | <u>7,411,587</u> | <u>6,122,602</u> | <u>6,744,957</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION | <u>\$ 16,383,781</u> | <u>\$ 7,472,644</u> | <u>\$ 6,156,966</u> | <u>\$ 7,426,617</u> |

| Employee Benefits | Resource Planning | Totals | |
|----------------------|---------------------|----------------------|----------------------|
| | | 2016 | 2015 |
| \$ 4,986,056 | \$ 3,065,930 | \$ 33,118,621 | \$ 31,072,994 |
| - | - | 5,723 | 1,960 |
| 21,563 | 13,679 | 145,181 | 105,534 |
| - | - | 10,739 | 6,811 |
| - | - | 122,117 | 138,167 |
| 210,968 | - | 615,858 | 559,853 |
| <u>5,218,587</u> | <u>3,079,609</u> | <u>34,018,239</u> | <u>31,885,319</u> |
| - | - | 33,520 | 33,520 |
| - | - | 716,092 | 636,652 |
| - | - | 1,101,449 | 910,475 |
| - | - | 21,889,579 | 20,578,799 |
| - | - | 147,638 | - |
| - | - | 97,150 | 396,984 |
| - | - | 23,985,428 | 22,556,430 |
| - | - | (12,265,463) | (12,358,453) |
| - | - | 11,719,965 | 10,197,977 |
| <u>5,218,587</u> | <u>3,079,609</u> | <u>45,738,204</u> | <u>42,083,296</u> |
| <u>27,455,435</u> | <u>-</u> | <u>27,455,435</u> | <u>3,350,550</u> |
| <u>\$ 32,674,022</u> | <u>\$ 3,079,609</u> | <u>\$ 73,193,639</u> | <u>\$ 45,433,846</u> |
| \$ 54,146 | \$ 528 | \$ 866,790 | \$ 530,660 |
| - | - | 48,783 | 113,059 |
| 1,780,201 | - | 1,780,201 | 1,383,143 |
| - | - | 2,161 | 154 |
| - | - | - | 2,895 |
| <u>1,834,347</u> | <u>528</u> | <u>2,697,935</u> | <u>2,029,911</u> |
| 1,716,509 | - | 1,716,509 | 1,510,646 |
| 44,392,455 | - | 44,392,455 | 17,915,436 |
| 1,016,438 | - | 1,016,438 | 1,186,353 |
| 47,125,402 | - | 47,125,402 | 20,612,435 |
| 48,959,749 | 528 | 49,823,337 | 22,642,346 |
| <u>5,187,186</u> | <u>-</u> | <u>5,187,186</u> | <u>2,765,716</u> |
| - | - | 11,719,965 | 10,197,977 |
| (21,472,913) | 3,079,081 | 6,463,151 | 9,827,807 |
| <u>(21,472,913)</u> | <u>3,079,081</u> | <u>18,183,116</u> | <u>20,025,784</u> |
| <u>\$ 32,674,022</u> | <u>\$ 3,079,609</u> | <u>\$ 73,193,639</u> | <u>\$ 45,433,846</u> |

CITY OF PLYMOUTH, MINNESOTA
INTERNAL SERVICE FUNDS
PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2016
(with comparative totals for year ended December 31, 2015)

| | <u>Central Equipment</u> | <u>Public Facilities</u> | <u>Information Technology</u> | <u>Risk Management</u> |
|---|------------------------------|------------------------------|-----------------------------------|----------------------------|
| OPERATING REVENUES: | | | | |
| Charges for services | \$ 3,278,380 | \$ 1,747,078 | \$ 2,173,308 | \$ 713,200 |
| Other fees | - | - | - | 283,686 |
| Total operating revenue | <u>3,278,380</u> | <u>1,747,078</u> | <u>2,173,308</u> | <u>996,886</u> |
| OPERATING EXPENSES: | | | | |
| Personal services | 436,785 | 238,026 | 614,421 | 66,109 |
| Materials and supplies | 568,099 | 75,770 | 220,334 | 45 |
| Insurance Claims | - | - | - | 340,514 |
| Contractual services | 204,050 | 831,280 | 823,953 | 813,068 |
| Depreciation | 1,298,162 | 101,508 | 170,684 | - |
| Total operating expenses | <u>2,507,096</u> | <u>1,246,584</u> | <u>1,829,392</u> | <u>1,219,736</u> |
| OPERATING INCOME (LOSS) | <u>771,284</u> | <u>500,494</u> | <u>343,916</u> | <u>(222,850)</u> |
| NONOPERATING REVENUES: | | | | |
| Investment earnings | 65,223 | 54,168 | 47,651 | 68,516 |
| Intergovernmental | - | - | 6,655 | - |
| Gain on disposal of capital assets | 37,605 | - | 963 | - |
| Contributions | - | - | - | - |
| Other | 11,841 | 4,158 | 1,075 | - |
| Total nonoperating revenues | <u>114,669</u> | <u>58,326</u> | <u>56,344</u> | <u>68,516</u> |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | 885,953 | 558,820 | 400,260 | (154,334) |
| CAPITAL CONTRIBUTIONS | 656,909 | 212,871 | 117,337 | - |
| TRANSFERS IN | 268,341 | - | - | - |
| TRANSFERS OUT | <u>(105,645)</u> | <u>(182,911)</u> | <u>(174,816)</u> | <u>(46,106)</u> |
| CHANGES IN NET POSITION | 1,705,558 | 588,780 | 342,781 | (200,440) |
| NET POSITION AT BEGINNING OF YEAR | <u>14,592,244</u> | <u>6,822,807</u> | <u>5,779,821</u> | <u>6,945,397</u> |
| NET POSITION AT END OF YEAR | <u>\$ 16,297,802</u> | <u>\$ 7,411,587</u> | <u>\$ 6,122,602</u> | <u>\$ 6,744,957</u> |

| Employee Benefits | Resource Planning | Totals | |
|------------------------------|------------------------------|----------------------|----------------------|
| | | 2016 | 2015 |
| \$ 3,529,934 | \$ 601,990 | \$ 12,043,890 | \$ 11,720,846 |
| - | - | 283,686 | 184,975 |
| <u>3,529,934</u> | <u>601,990</u> | <u>12,327,576</u> | <u>11,905,821</u> |
| 8,600,082 | - | 9,955,423 | 5,917,777 |
| - | 121,143 | 985,391 | 1,094,639 |
| - | - | 340,514 | 216,582 |
| 2,691 | 23,219 | 2,698,261 | 2,544,806 |
| - | - | 1,570,354 | 1,463,484 |
| <u>8,602,773</u> | <u>144,362</u> | <u>15,549,943</u> | <u>11,237,288</u> |
| <u>(5,072,839)</u> | <u>457,628</u> | <u>(3,222,367)</u> | <u>668,533</u> |
| 60,376 | 22,458 | 318,392 | 466,303 |
| - | 1,006 | 7,661 | 15,209 |
| - | - | 38,568 | 82,711 |
| 125,956 | - | 125,956 | 63,090 |
| 3,892 | 26,426 | 47,392 | 42,906 |
| <u>190,224</u> | <u>49,890</u> | <u>537,969</u> | <u>670,219</u> |
| (4,882,615) | 507,518 | (2,684,398) | 1,338,752 |
| - | 72,051 | 1,059,168 | 586,783 |
| - | 154,500 | 422,841 | 373,128 |
| - | (130,801) | (640,279) | (390,688) |
| (4,882,615) | 603,268 | (1,842,668) | 1,907,975 |
| <u>(16,590,298)</u> | <u>2,475,813</u> | <u>20,025,784</u> | <u>18,117,809</u> |
| <u>\$ (21,472,913)</u> | <u>\$ 3,079,081</u> | <u>\$ 18,183,116</u> | <u>\$ 20,025,784</u> |

CITY OF PLYMOUTH, MINNESOTA
INTERNAL SERVICE FUNDS
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2016
(with comparative totals for year ended December 31, 2015)

| | <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 | \$ 3,275,228 | \$ 1,747,078 | \$ 2,169,835 | \$ 995,820 |
| Payments to suppliers | (710,373) | (894,078) | (1,105,620) | (878,429) |
| Payments to employees | (431,817) | (239,208) | (617,800) | (68,447) |
| Other operating revenue | 11,841 | 4,158 | 1,075 | - |
| Net cash flows from operating activities | <u>2,144,879</u> | <u>617,950</u> | <u>447,490</u> | <u>48,944</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | |
| Intergovernmental revenues | - | - | 6,655 | - |
| Contributions | - | - | - | - |
| Transfers in from other funds | 268,341 | - | - | - |
| Transfers out to other funds | (105,645) | (182,911) | (174,816) | (46,106) |
| Net cash flows from noncapital financing activities | <u>162,696</u> | <u>(182,911)</u> | <u>(168,161)</u> | <u>(46,106)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | |
| Acquisition and construction of capital assets | (1,910,095) | (134,284) | (148,803) | - |
| Contributions | - | - | - | - |
| Proceeds from sale of capital assets | 125,561 | - | 963 | - |
| Net cash flows from capital and related financing activities | <u>(1,784,534)</u> | <u>(134,284)</u> | <u>(147,840)</u> | <u>-</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Investment earnings | 56,313 | 47,381 | 42,094 | 61,138 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 579,354 | 348,136 | 173,583 | 63,976 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>6,469,704</u> | <u>5,348,305</u> | <u>4,877,292</u> | <u>7,206,285</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u><u>\$ 7,049,058</u></u> | <u><u>\$ 5,696,441</u></u> | <u><u>\$ 5,050,875</u></u> | <u><u>\$ 7,270,261</u></u> |

(Continued...)

| | Employee Benefits | Resource Planning | Totals | |
|-----------|----------------------|----------------------|----------------------|----------------------|
| | | | 2016 | 2015 |
| \$ | 3,529,934 | \$ 599,095 | \$ 12,316,990 | \$ 11,920,545 |
| | 6,510 | (143,993) | (3,725,983) | (4,588,792) |
| | (3,435,817) | - | (4,793,089) | (5,199,722) |
| | 3,892 | 26,426 | 47,392 | 42,906 |
| | <u>104,519</u> | <u>481,528</u> | <u>3,845,310</u> | <u>2,174,937</u> |
| | - | 1,006 | 7,661 | 15,209 |
| | 125,956 | - | 125,956 | 63,090 |
| | - | 154,500 | 422,841 | 373,128 |
| | - | (130,801) | (640,279) | (390,688) |
| | <u>125,956</u> | <u>24,705</u> | <u>(83,821)</u> | <u>60,739</u> |
| | - | - | (2,193,182) | (2,292,177) |
| | - | 72,051 | 72,051 | 94,004 |
| | - | - | 126,524 | 138,353 |
| | <u>-</u> | <u>72,051</u> | <u>(1,994,607)</u> | <u>(2,059,820)</u> |
| | <u>54,614</u> | <u>17,205</u> | <u>278,745</u> | <u>466,084</u> |
| | 285,089 | 595,489 | 2,045,627 | 641,940 |
| | <u>4,700,967</u> | <u>2,470,441</u> | <u>31,072,994</u> | <u>30,431,054</u> |
| <u>\$</u> | <u>4,986,056</u> | <u>\$ 3,065,930</u> | <u>\$ 33,118,621</u> | <u>\$ 31,072,994</u> |

CITY OF PLYMOUTH, MINNESOTA
INTERNAL SERVICE FUNDS
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2016
(with comparative totals for year ended December 31, 2015)

(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 FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Operating income (loss) | \$ 771,284 | \$ 500,494 | \$ 343,916 | \$ (222,850) |
| Adjustments to reconcile operating income (loss) to net cash flows from operating activities: | | | | |
| Depreciation | 1,298,162 | 101,508 | 170,684 | - |
| Other revenues | 11,841 | 4,158 | 1,075 | - |
| Changes in assets, deferred outflows, liabilities, and deferred inflows: | | | | |
| Accounts receivable | (2,697) | - | - | (1,066) |
| Due from other governments | (455) | - | (3,473) | - |
| Inventory | 16,050 | - | - | - |
| Prepaid expenses | 409 | (48) | (51,570) | (13,271) |
| Deferred outflow for pension plan deferments | - | - | - | - |
| Accounts payable | 45,317 | 10,971 | (9,721) | 288,469 |
| Due to other governments | - | 2,049 | (42) | - |
| Accrued salaries payable | 4,968 | (1,182) | (3,379) | (2,338) |
| OPEB | - | - | - | - |
| Pension liability | - | - | - | - |
| Compensated absences payable | - | - | - | - |
| Unearned revenue | - | - | - | - |
| Deferred inflow for pension plan deferments | - | - | - | - |
| Total adjustments | <u>1,373,595</u> | <u>117,456</u> | <u>103,574</u> | <u>271,794</u> |
| Net cash flows from operating activities | <u>\$ 2,144,879</u> | <u>\$ 617,950</u> | <u>\$ 447,490</u> | <u>\$ 48,944</u> |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES: | | | | |
| Contributions of capital assets from City funds | 656,909 | 212,871 | 117,337 | - |
| Trade-in values on capital asset purchases | 23,944 | - | - | - |

| Employee Benefits | Resource Planning | Totals | |
|----------------------|----------------------|----------------|--------------|
| | | 2016 | 2015 |
| \$ (5,072,839) | \$ 457,628 | \$ (3,222,367) | \$ 668,533 |
| - | - | 1,570,354 | 1,463,484 |
| 3,892 | 26,426 | 47,392 | 42,906 |
| - | - | (3,763) | 576 |
| - | - | (3,928) | 11,253 |
| - | - | 16,050 | 7,549 |
| 8,476 | - | (56,004) | (215,902) |
| (24,104,885) | - | (24,104,885) | (2,458,685) |
| 725 | 369 | 336,130 | (523,288) |
| - | - | 2,007 | (1,124) |
| (62,345) | - | (64,276) | 42,006 |
| 205,863 | - | 205,863 | 221,947 |
| 26,477,019 | - | 26,477,019 | 82,643 |
| 227,143 | - | 227,143 | 64,428 |
| - | (2,895) | (2,895) | 2,895 |
| 2,421,470 | - | 2,421,470 | 2,765,716 |
| 5,177,358 | 23,900 | 7,067,677 | 1,506,404 |
| \$ 104,519 | \$ 481,528 | \$ 3,845,310 | \$ 2,174,937 |
| - | - | 987,117 | 492,778 |
| - | - | 23,944 | 55,642 |

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COMPONENT UNIT FINANCIAL STATEMENTS

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH (HRA)

The HRA is a component unit of the City. Its operations are presented as a separate column on the combined financial statements labeled component unit.

GOVERNMENTAL FUNDS

Housing and Redevelopment Authority General Fund - This fund is used to account for the general programs and activities of the HRA. Revenues are derived from the HRA property tax levy. Expenditures include rental subsidies for senior citizens, housing planning, and other general housing and redevelopment activities.

Housing Assistance Special Revenue Fund - This fund is used to account for federal grants used for low-income rental assistance.

PROPRIETARY FUNDS

Plymouth Towne Square Enterprise Fund - This fund accounts for the operation of the Plymouth Towne Square Senior Housing Development. This development is a 99-unit senior independent living community for moderate and low-income Plymouth citizens. A portion of the HRA property tax levy subsidizes the project.

Vicksburg Crossing Enterprise Fund - This fund accounts for the operation of the Vicksburg Crossing Senior Housing Development. This development is a 96-unit senior independent living community for Plymouth citizens. A portion of the units are rented at affordable rental rates and the remainder are at market rates.

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2016

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|--|------------------------------------|-------------------------------------|-----------------------------|
| <u>ASSETS</u> | | | |
| Cash and investments | \$ 2,818,096 | \$ 2,822,321 | \$ 5,640,417 |
| Accounts receivable | 11,679 | 73,735 | 85,414 |
| Notes receivable | 1,118,626 | - | 1,118,626 |
| Taxes receivable | 8,163 | - | 8,163 |
| Accrued interest receivable | 115,470 | 4,539 | 120,009 |
| Due from other governments | 5,803 | - | 5,803 |
| Prepaid items | 225,668 | 38,708 | 264,376 |
| Capital assets: | | | |
| Nondepreciable: | | | |
| Land | - | 1,333,840 | 1,333,840 |
| Construction in progress | - | 29,199 | 29,199 |
| Depreciable (net): | | | |
| Buildings | 139,162 | 8,313,411 | 8,452,573 |
| Improvements other than buildings | - | 225,764 | 225,764 |
| Machinery and equipment | - | 171,532 | 171,532 |
| TOTAL ASSETS | <u>\$ 4,442,667</u> | <u>\$ 13,013,049</u> | <u>\$ 17,455,716</u> |
| <u>LIABILITIES</u> | | | |
| Accounts payable | \$ 2,621 | \$ 37,039 | \$ 39,660 |
| Accrued salaries and benefits payable | 17,747 | 3,782 | 21,529 |
| Deposits payable | 20,000 | 125,748 | 145,748 |
| Due to other governments | 2,529 | 90,312 | 92,841 |
| Unearned revenue | 14,902 | 1,398 | 16,300 |
| Accrued interest payable | - | 120,047 | 120,047 |
| Noncurrent liabilities: | | | |
| Due within one year | - | 697,126 | 697,126 |
| Due in more than one year | - | 11,205,231 | 11,205,231 |
| Total liabilities | <u>57,799</u> | <u>12,280,683</u> | <u>12,338,482</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Housing assistance received for subsequent years | 138,536 | - | 138,536 |
| <u>NET POSITION</u> | | | |
| Net investment in capital assets | 139,162 | (1,821,485) | (1,682,323) |
| Restricted for: | | | |
| Debt Service | - | 508,802 | 508,802 |
| Housing projects | 4,107,170 | - | 4,107,170 |
| Unrestricted | - | 2,045,049 | 2,045,049 |
| Total net position | <u>4,246,332</u> | <u>732,366</u> | <u>4,978,698</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | <u>\$ 4,442,667</u> | <u>\$ 13,013,049</u> | <u>\$ 17,455,716</u> |

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016

| <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 | \$ 3,590,628 | \$ 9,900 | \$ 3,118,379 | \$ - |
| Business-type activities: | | | | |
| Plymouth Towne Square | 788,525 | 680,936 | - | 73,412 |
| Vicksburg Crossing | 1,105,253 | 1,215,378 | - | - |
| Total business-type activities | 1,893,778 | 1,896,314 | - | 73,412 |
| Total HRA government | <u>\$ 5,484,406</u> | <u>\$ 1,906,214</u> | <u>\$ 3,118,379</u> | <u>\$ 73,412</u> |

GENERAL REVENUES:

Property taxes

Unrestricted interest income

Other

TRANSFERS

Total general revenues

CHANGE IN NET POSITION

NET POSITION - BEGINNING

NET POSITION - ENDING

Net (Expense) Revenue and Changes in Net Position

| Governmental Activities | Business-type Activities | Total |
|------------------------------------|-------------------------------------|--------------|
| \$ (462,349) | \$ - | \$ (462,349) |
| - | (34,177) | (34,177) |
| - | 110,125 | 110,125 |
| | 75,948 | 75,948 |
| (462,349) | 75,948 | (386,401) |
| 560,273 | - | 560,273 |
| 29,854 | 16,867 | 46,721 |
| 7,132 | 4,705 | 11,837 |
| (198,000) | 198,000 | - |
| 399,259 | 219,572 | 618,831 |
| (63,090) | 295,520 | 232,430 |
| 4,309,422 | 436,846 | 4,746,268 |
| \$ 4,246,332 | \$ 732,366 | \$ 4,978,698 |

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2016
(with comparative totals for December 31, 2015)

| | General | Housing Assistance | Totals | |
|--|---------------------|--------------------|---------------------|---------------------|
| | | | 2016 | 2015 |
| ASSETS | | | | |
| Cash and investments | \$ 2,308,968 | \$ 509,128 | \$ 2,818,096 | \$ 3,330,005 |
| Accounts receivable | 825 | 10,854 | 11,679 | 3,634 |
| Notes receivable | 1,118,626 | - | 1,118,626 | 1,125,759 |
| Taxes receivable | 8,163 | - | 8,163 | 4,950 |
| Accrued interest receivable | 115,470 | - | 115,470 | 107,718 |
| Due from other governments | - | 5,803 | 5,803 | 26,135 |
| Prepaid items | 248 | 225,420 | 225,668 | 229,758 |
| TOTAL ASSETS | \$ 3,552,300 | \$ 751,205 | \$ 4,303,505 | \$ 4,827,959 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 2,574 | \$ 47 | \$ 2,621 | \$ 627,689 |
| Accrued salaries and benefits payable | 9,373 | 8,374 | 17,747 | 14,948 |
| Deposits Payable | 20,000 | - | 20,000 | 20,000 |
| Due to other governments | - | 2,529 | 2,529 | 901 |
| Deferred revenue | - | 14,902 | 14,902 | - |
| Total liabilities | 31,947 | 25,852 | 57,799 | 663,538 |
| Deferred inflows of resources: | | | | |
| Unavailable revenue | 1,228,902 | 15,464 | 1,244,366 | 1,253,299 |
| Housing assistance received for subsequent ye | - | 138,536 | 138,536 | - |
| Total deferred inflows of resources | 1,228,902 | 154,000 | 1,382,902 | 1,253,299 |
| Fund balances: | | | | |
| Nonspendable | | | | |
| Prepaid items | 248 | 225,420 | 225,668 | 229,758 |
| Restricted for housing projects | 2,291,203 | 345,933 | 2,637,136 | 2,681,364 |
| Total fund balances | 2,291,451 | 571,353 | 2,862,804 | 2,911,122 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 3,552,300 | \$ 751,205 | \$ 4,303,505 | \$ 4,827,959 |

**HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 DECEMBER 31, 2016**

FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 2,862,804

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

1. Capital assets used in governmental activities are not financial resources, therefore are not reported in the fund statements.

| | | |
|--------------------------|-----------------|---------|
| Capital assets | 175,169 | |
| Accumulated depreciation | <u>(36,007)</u> | 139,162 |

2. Unavailable revenue in governmental funds is susceptible to full accrual on government-wide statements.

| | | |
|--|------------------|--|
| | <u>1,244,366</u> | |
|--|------------------|--|

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 4,246,332

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2016
(with comparative totals for year ended December 31, 2015)

| | General | Housing Assistance | Totals | |
|--|---------------------|--------------------|---------------------|---------------------|
| | | | 2016 | 2015 |
| REVENUES: | | | | |
| Property taxes | \$ 558,673 | \$ - | \$ 558,673 | \$ 539,862 |
| Intergovernmental | 125,009 | 3,003,903 | 3,128,912 | 3,740,495 |
| Charges for services | 9,900 | - | 9,900 | 10,400 |
| Interest income | 29,762 | 92 | 29,854 | 37,013 |
| Other revenues | 7,132 | - | 7,132 | 25,901 |
| Total revenues | <u>730,476</u> | <u>3,003,995</u> | <u>3,734,471</u> | <u>4,353,671</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public service | <u>579,858</u> | <u>3,004,931</u> | <u>3,584,789</u> | <u>3,949,257</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>150,618</u> | <u>(936)</u> | <u>149,682</u> | <u>404,414</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | <u>(198,000)</u> | <u>-</u> | <u>(198,000)</u> | <u>(198,000)</u> |
| NET CHANGE IN FUND BALANCE | (47,382) | (936) | (48,318) | 206,414 |
| FUND BALANCES AT BEGINNING OF YEAR | <u>2,338,833</u> | <u>572,289</u> | <u>2,911,122</u> | <u>2,704,708</u> |
| FUND BALANCES AT END OF YEAR | <u>\$ 2,291,451</u> | <u>\$ 571,353</u> | <u>\$ 2,862,804</u> | <u>\$ 2,911,122</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, 2016

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (48,318)

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.
Depreciation expense (5,839)
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. (8,933)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (63,090)

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, 2016
(with comparative actual amounts for year ended December 31, 2015)

| | 2016 | | Variance with Final Budget | 2015 |
|---|---------------------------------|---------------------|----------------------------------|---------------------|
| | Original and Final Budget | Actual | | Actual |
| REVENUES: | | | | |
| Property taxes | \$ 559,175 | \$ 558,673 | \$ (502) | \$ 539,862 |
| Intergovernmental | - | 125,009 | 125,009 | 625,016 |
| Charges for services | 9,900 | 9,900 | - | 10,400 |
| Interest income | 36,740 | 29,762 | (6,978) | 37,032 |
| Other revenues | 10,000 | 7,132 | (2,868) | 25,901 |
| Total revenues | <u>615,815</u> | <u>730,476</u> | <u>114,661</u> | <u>1,238,211</u> |
| EXPENDITURES: | | | | |
| Public service: | | | | |
| Personal services | 234,307 | 229,123 | 5,184 | 207,017 |
| Materials and supplies | 900 | 977 | (77) | 832 |
| Contractual services: | | | | |
| Grant awards | - | 127,361 | (127,361) | 625,000 |
| Other | 149,063 | 222,397 | (73,334) | 44,200 |
| Total expenditures | <u>384,270</u> | <u>579,858</u> | <u>(195,588)</u> | <u>877,049</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>231,545</u> | <u>150,618</u> | <u>(80,927)</u> | <u>361,162</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 5,300 | - | (5,300) | - |
| Transfers out | (236,845) | (198,000) | 38,845 | (198,000) |
| Total other financing sources (uses) | <u>(231,545)</u> | <u>(198,000)</u> | <u>33,545</u> | <u>(198,000)</u> |
| NET CHANGE IN FUND BALANCE | - | (47,382) | (47,382) | 163,162 |
| FUND BALANCES AT BEGINNING OF YEAR | <u>2,338,833</u> | <u>2,338,833</u> | <u>-</u> | <u>2,175,671</u> |
| FUND BALANCES AT END OF YEAR | <u>\$ 2,338,833</u> | <u>\$ 2,291,451</u> | <u>\$ (47,382)</u> | <u>\$ 2,338,833</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, 2016
(with comparative actual amounts for year ended December 31, 2015)

| | 2016 | | | 2015 |
|--|--|-------------------|---|-------------------|
| | Original and Final Budget | Actual | Variance with Final Budget | Actual |
| REVENUES: | | | | |
| Intergovernmental | \$ 3,231,000 | \$ 3,003,903 | \$ (227,097) | \$ 3,115,479 |
| Interest income (loss) | - | 92 | 92 | (19) |
| Total revenues | <u>3,231,000</u> | <u>3,003,995</u> | <u>(227,005)</u> | <u>3,115,460</u> |
| EXPENDITURES: | | | | |
| Public service: | | | | |
| Personal services | 218,666 | 211,145 | 7,521 | 202,975 |
| Materials and supplies | 100 | - | 100 | - |
| Contractual services: | | | | |
| Housing assistance | 2,980,500 | 2,740,223 | 240,277 | 2,834,572 |
| Other | 64,724 | 53,563 | 11,161 | 34,661 |
| Total expenditures | <u>3,263,990</u> | <u>3,004,931</u> | <u>259,059</u> | <u>3,072,208</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(32,990)</u> | <u>(936)</u> | <u>32,054</u> | <u>43,252</u> |
| OTHER FINANCING SOURCES: | | | | |
| Transfers in | <u>32,990</u> | <u>-</u> | <u>(32,990)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | - | (936) | (936) | 43,252 |
| FUND BALANCES AT BEGINNING OF YEAR | <u>572,289</u> | <u>572,289</u> | <u>-</u> | <u>529,037</u> |
| FUND BALANCES AT END OF YEAR | <u>\$ 572,289</u> | <u>\$ 571,353</u> | <u>\$ (936)</u> | <u>\$ 572,289</u> |

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2016
(with comparative totals for December 31, 2015)

| | Plymouth Towne Square | Vicksburg Crossing | Totals | |
|--|----------------------------------|-------------------------------|-----------------------------|-----------------------------|
| | | | 2016 | 2015 |
| <u>ASSETS</u> | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 1,110,755 | \$ 1,711,566 | \$ 2,822,321 | \$ 2,753,635 |
| Accounts receivable | 73,525 | 210 | 73,735 | 1,242 |
| Accrued interest receivable | 3,113 | 1,426 | 4,539 | 6,202 |
| Prepaid items | 17,883 | 20,825 | 38,708 | 35,817 |
| Total current assets | <u>1,205,276</u> | <u>1,734,027</u> | <u>2,939,303</u> | <u>2,796,896</u> |
| Noncurrent assets: | | | | |
| Capital assets: | | | | |
| Land | 459,247 | 874,593 | 1,333,840 | 1,333,840 |
| Construction in progress | 29,199 | - | 29,199 | - |
| Buildings | 6,053,911 | 9,025,428 | 15,079,339 | 15,079,339 |
| Improvements other than buildings | 182,420 | 238,793 | 421,213 | 413,489 |
| Machinery and equipment | 417,038 | 369,990 | 787,028 | 780,751 |
| Total capital assets | <u>7,141,815</u> | <u>10,508,804</u> | <u>17,650,619</u> | <u>17,607,419</u> |
| Less accumulated depreciation | <u>(3,929,363)</u> | <u>(3,647,510)</u> | <u>(7,576,873)</u> | <u>(7,047,051)</u> |
| Net capital assets | <u>3,212,452</u> | <u>6,861,294</u> | <u>10,073,746</u> | <u>10,560,368</u> |
| Total noncurrent assets | <u>3,212,452</u> | <u>6,861,294</u> | <u>10,073,746</u> | <u>10,560,368</u> |
| TOTAL ASSETS | <u>\$ 4,417,728</u> | <u>\$ 8,595,321</u> | <u>\$ 13,013,049</u> | <u>\$ 13,357,264</u> |
| <u>LIABILITIES</u> | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$ 22,308 | \$ 14,731 | \$ 37,039 | \$ 25,305 |
| Accrued salaries and benefits payable | 2,023 | 1,759 | 3,782 | 2,677 |
| Deposits payable | 59,406 | 66,342 | 125,748 | 123,707 |
| Due to other governments | 31,589 | 58,723 | 90,312 | 90,066 |
| Unearned revenue | 568 | 830 | 1,398 | - |
| Accrued interest payable | 16,297 | 103,750 | 120,047 | 127,405 |
| Compensated absences payable | 3,194 | 3,932 | 7,126 | 4,886 |
| Revenue bonds payable | 280,000 | 410,000 | 690,000 | 670,000 |
| Total current liabilities | <u>415,385</u> | <u>660,067</u> | <u>1,075,452</u> | <u>1,044,046</u> |
| Noncurrent liabilities: | | | | |
| Revenue bonds payable (net of unamortized premiums/discounts) | <u>1,907,651</u> | <u>9,297,580</u> | <u>11,205,231</u> | <u>11,876,372</u> |
| Total liabilities | <u>2,323,036</u> | <u>9,957,647</u> | <u>12,280,683</u> | <u>12,920,418</u> |
| <u>NET POSITION</u> | | | | |
| Net investment in capital assets | 1,024,801 | (2,846,286) | (1,821,485) | (1,986,004) |
| Restricted for debt service | 70,885 | 437,917 | 508,802 | 351,528 |
| Unrestricted | 999,006 | 1,046,043 | 2,045,049 | 2,071,322 |
| Total net position | <u>2,094,692</u> | <u>(1,362,326)</u> | <u>732,366</u> | <u>436,846</u> |
| TOTAL LIABILITIES AND NET POSITION | <u>\$ 4,417,728</u> | <u>\$ 8,595,321</u> | <u>\$ 13,013,049</u> | <u>\$ 13,357,264</u> |

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2016
(with comparative totals for year ended December 31, 2015)

| | Plymouth Towne Square | Vicksburg Crossing | Totals | |
|--|--------------------------|-----------------------|-------------------|-------------------|
| | | | 2016 | 2015 |
| OPERATING REVENUES: | | | | |
| Rental revenue | \$ 680,936 | \$ 1,215,378 | \$ 1,896,314 | \$ 1,885,988 |
| Other | 615 | 4,090 | 4,705 | 5,169 |
| Total operating revenues | <u>681,551</u> | <u>1,219,468</u> | <u>1,901,019</u> | <u>1,891,157</u> |
| OPERATING EXPENSES: | | | | |
| Personal services | 123,011 | 123,226 | 246,237 | 241,060 |
| Materials and supplies | 25,150 | 24,613 | 49,763 | 27,764 |
| Contractual services | 382,276 | 344,340 | 726,616 | 725,130 |
| Depreciation | 192,602 | 337,220 | 529,822 | 529,299 |
| Total operating expenses | <u>723,039</u> | <u>829,399</u> | <u>1,552,438</u> | <u>1,523,253</u> |
| OPERATING INCOME (LOSS) | <u>(41,488)</u> | <u>390,069</u> | <u>348,581</u> | <u>367,904</u> |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| Interest income | 10,004 | 6,863 | 16,867 | 24,742 |
| Amortization | 6,319 | (25,177) | (18,858) | 3,825 |
| Interest expense | (71,805) | (250,677) | (322,482) | (378,257) |
| Total nonoperating revenues (expenses) | <u>(55,482)</u> | <u>(268,991)</u> | <u>(324,473)</u> | <u>(349,690)</u> |
| INCOME (LOSS) BEFORE TRANSFERS | (96,970) | 121,078 | 24,108 | 18,214 |
| CAPITAL CONTRIBUTIONS | 73,412 | - | 73,412 | 80,000 |
| TRANSFERS IN | <u>150,000</u> | <u>48,000</u> | <u>198,000</u> | <u>198,000</u> |
| CHANGES IN NET POSITION | 126,442 | 169,078 | 295,520 | 296,214 |
| NET POSITION AT BEGINNING OF YEAR | <u>1,968,250</u> | <u>(1,531,404)</u> | <u>436,846</u> | <u>140,632</u> |
| NET POSITION AT END OF YEAR | <u>\$ 2,094,692</u> | <u>\$ (1,362,326)</u> | <u>\$ 732,366</u> | <u>\$ 436,846</u> |

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2016
(with comparative totals for year ended December 31, 2015)

| | Plymouth Towne Square | Vicksburg Crossing | Totals | |
|---|--------------------------|-----------------------|---------------------|---------------------|
| | | | 2016 | 2015 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Receipts from customers or users | \$ 609,167 | \$ 1,218,093 | \$ 1,827,260 | \$ 1,891,313 |
| Payments to suppliers | (400,143) | (367,145) | (767,289) | (743,715) |
| Payments to employees | (121,187) | (121,705) | (242,892) | (247,414) |
| Other operating revenue | 615 | 4,090 | 4,705 | 5,169 |
| Net cash flows from operating activities | 88,452 | 733,333 | 821,784 | 905,353 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | |
| Transfers in from other funds | 150,000 | 48,000 | 198,000 | 198,000 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | |
| Acquisition and construction of capital assets | (36,923) | (6,277) | (43,200) | (72,413) |
| Contributions | 73,412 | - | 73,412 | 80,000 |
| Principal paid on capital debt | (270,000) | (400,000) | (670,000) | (475,000) |
| Interest paid on capital debt | (73,830) | (256,010) | (329,840) | (561,742) |
| Net cash flows from capital and related financing activities | (307,341) | (662,287) | (969,628) | (1,029,155) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Interest income | 9,934 | 8,595 | 18,530 | 41,742 |
| Purchase of investments | - | - | - | 106,060 |
| Net cash flows from investing activities | 9,934 | 8,595 | 18,530 | 147,802 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (58,955) | 127,641 | 68,686 | 222,000 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 1,169,710 | 1,583,925 | 2,753,635 | 2,531,635 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | \$ 1,110,755 | \$ 1,711,566 | \$ 2,822,321 | \$ 2,753,635 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Operating income (loss) | \$ (41,488) | \$ 390,069 | \$ 348,581 | \$ 367,904 |
| Adjustments to reconcile operating income (loss) to net cash flows from operating activities: | | | | |
| Depreciation | 192,602 | 337,220 | 529,822 | 529,299 |
| Changes in assets and liabilities: | | | | |
| Accounts receivable | (73,550) | 1,057 | (72,493) | (339) |
| Prepaid expenses | (929) | (1,961) | (2,891) | 8,736 |
| Accounts payable | 8,443 | 3,292 | 11,735 | (710) |
| Accrued salaries payable | 687 | 418 | 1,105 | (6,804) |
| Due to other governments | (231) | 477 | 246 | 1,153 |
| Deposits payable | 1,213 | 828 | 2,041 | 5,664 |
| Compensated absences payable | 1,137 | 1,103 | 2,240 | 450 |
| Total adjustments | 129,940 | 343,264 | 473,203 | 537,449 |
| Net cash flows from operating activities | \$ 88,452 | \$ 733,333 | \$ 821,784 | \$ 905,353 |

**CITY OF PLYMOUTH, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY - HOUSING CHOICE VOUCHERS
FINANCIAL DATA SCHEDULE
BALANCE SHEET
DECEMBER 31, 2016**

ASSETS

Current assets:

| | | | |
|-----|------------------------------------|----|----------------|
| 111 | Cash - unrestricted | \$ | 356,169 |
| 113 | Cash - other restricted | | 141,815 |
| 121 | Accounts receivable - PHA projects | | 1,193 |
| 128 | Fraud recovery | | 15,464 |
| 142 | Prepaid expenses and other assets | | 225,420 |
| 190 | Total assets | \$ | <u>740,061</u> |

LIABILITIES

Current liabilities:

| | | | |
|-----|------------------------------------|----|---------------|
| 312 | Accounts payable <= 90 days | \$ | 47 |
| 321 | Accrued wage/payroll taxes payable | | 8,374 |
| 332 | Accounts payable - PHA projects | | 162 |
| 342 | Unearned revenue | | 13,931 |
| 300 | Total liabilities | | <u>22,514</u> |

DEFERRED INFLOWS OF RESOURCES

| | | | |
|-----|------------------------------|--|---------|
| 400 | Deferred inflow of resources | | 130,730 |
|-----|------------------------------|--|---------|

NET POSITION

| | | | |
|-------|--|----|----------------|
| 511.4 | Restricted net position | | 18,655 |
| 512.4 | Unrestricted net position | | <u>568,162</u> |
| 513 | Total net position | | <u>586,817</u> |
| 600 | Total liabilities, deferred inflows of resources and net position | \$ | <u>740,061</u> |

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

**CITY OF PLYMOUTH, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY - HOUSING CHOICE VOUCHERS
FINANCIAL DATA SCHEDULE
INCOME STATEMENT
YEAR ENDED DECEMBER 31, 2016**

REVENUES:

| | | |
|-------|----------------------------------|------------------|
| 70600 | HUD PHA operating grants | \$ 1,698,942 |
| 71100 | Investment Income - unrestricted | 92 |
| 71400 | Fraud recovery | (6,394) |
| 71500 | Other revenue | 1,197,063 |
| 70000 | Total revenue | <u>2,889,703</u> |

OPERATING EXPENSES:

Administrative:

| | | |
|-------|---|----------------|
| 91100 | Administrative salaries | 156,444 |
| 91200 | Auditing fees | 6,690 |
| 91500 | Employee benefit contributions - administrative | 43,101 |
| 91600 | Office expenses | 23,570 |
| 91900 | Other | 3,581 |
| 91000 | Total administrative | <u>233,386</u> |

General expenses:

| | | |
|-------|-------------------------|---------------|
| 96110 | Property insurance | 81 |
| 96120 | Liability insurance | 68 |
| 96130 | Workmen's compensation | 17,178 |
| 96140 | All other insurance | 1,140 |
| 96100 | Total insurance premium | <u>18,467</u> |

Other general expenses:

| | | |
|-------|--------------------------|----------------|
| 96200 | Other general expenses | 8,141 |
| 96900 | Total operating expenses | <u>259,994</u> |

EXCESS (DEFICIENCY) OF OPERATING REVENUES
OVER (UNDER) OPERATING EXPENSES

2,629,709

OTHER EXPENSES:

| | | |
|-------|-----------------------------|------------------|
| 97300 | Housing assistance payments | 1,525,144 |
| 97350 | HAP Portability-In | 1,116,325 |
| 90000 | Total expenses | <u>2,901,463</u> |

EXCESS (DEFICIENCY) OF TOTAL REVENUE
OVER (UNDER) TOTAL EXPENSES

(11,760)

NET POSITION AT BEGINNING OF YEAR

598,577

NET POSITION AT END OF YEAR

\$ 586,817

MEMO ACCOUNT INFORMATION:

| | | |
|-------|------------------------------------|-------------------|
| 11170 | Administrative fee equity | 568,162 |
| 11180 | Housing assistance payments equity | 18,655 |
| | Total net position | <u>\$ 586,817</u> |

11190 Unit months available 2,516

11210 Number of unit months leased 2,516

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

**CITY OF PLYMOUTH, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY - MAINSTREAM VOUCHERS
FINANCIAL DATA SCHEDULE
BALANCE SHEET
DECEMBER 31, 2016**

ASSETS

Current assets:

| | | | |
|-----|-------------------------|----|----------------------|
| 111 | Cash - unrestricted | \$ | 971 |
| 113 | Cash - other restricted | | <u>10,173</u> |
| 190 | Total assets | \$ | <u><u>11,144</u></u> |

LIABILITIES

Current liabilities:

| | | | |
|-----|-------------------------------------|----|---------------------|
| 331 | Accounts payable - HUD PHA programs | \$ | 2,367 |
| 342 | Unearned revenue | | <u>971</u> |
| 300 | Total liabilities | | <u><u>3,338</u></u> |

DEFERRED INFLOWS OF RESOURCES

| | | | |
|-----|---|----|----------------------|
| 400 | Deferred inflow of resources | | <u>7,806</u> |
| 600 | Total liabilities and deferred inflows of resources | \$ | <u><u>11,144</u></u> |

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

**CITY OF PLYMOUTH, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY - MAINSTREAM VOUCHERS
FINANCIAL DATA SCHEDULE
INCOME STATEMENT
YEAR ENDED DECEMBER 31, 2016**

REVENUES:

| | |
|--------------------------------|-------------------|
| 70600 HUD PHA operating grants | <u>\$ 103,468</u> |
|--------------------------------|-------------------|

OPERATING EXPENSES:

Administrative:

| | |
|---|---------------|
| 91100 Administrative salaries | 9,100 |
| 91200 Auditing fees | 350 |
| 91500 Employee benefit contributions - administrative | 2,500 |
| 91600 Office expenses | 719 |
| 91900 Other | <u>185</u> |
| 96900 Total operating expenses | <u>12,854</u> |

EXCESS (DEFICIENCY) OF OPERATING REVENUES
OVER (UNDER) OPERATING EXPENSES

90,614

OTHER EXPENSES:

| | |
|-----------------------------------|----------------|
| 97300 Housing assistance payments | <u>90,614</u> |
| 90000 Total expenses | <u>103,468</u> |

EXCESS (DEFICIENCY) OF TOTAL REVENUE
OVER (UNDER) TOTAL EXPENSES

-

NET POSITION AT BEGINNING OF YEAR

-

NET POSITION AT END OF YEAR

\$ -

MEMO ACCOUNT INFORMATION:

| | |
|------------------------------------|-----|
| 11190 Unit months available | 180 |
| 11210 Number of unit months leased | 178 |

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

**CITY OF PLYMOUTH, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY - STATE/LOCAL
FINANCIAL DATA SCHEDULE
BALANCE SHEET
DECEMBER 31, 2016**

ASSETS

Current assets:

| | | | |
|-----|--|----|------------------|
| 111 | Cash - unrestricted | \$ | 2,308,968 |
| 124 | Accounts receivable - other government | | 8,163 |
| 125 | Accounts receivable - miscellaneous | | 825 |
| 129 | Accrued interest receivable | | 115,470 |
| 142 | Prepaid expenses and other assets | | 248 |
| 150 | Total current assets | | <u>2,433,674</u> |

Non-current assets:

| | | | |
|-----|--|----|-------------------------|
| 162 | Buildings | | 175,169 |
| 166 | Accumulated depreciation | | (36,007) |
| 171 | Notes, loans, and mortgages receivable - non-current | | 1,118,626 |
| 180 | Total non-current assets | | <u>1,257,788</u> |
| 190 | Total assets | \$ | <u><u>3,691,462</u></u> |

LIABILITIES

Current liabilities:

| | | | |
|-----|------------------------------------|----|---------------|
| 312 | Accounts payable <= 90 days | \$ | 2,574 |
| 321 | Accrued wage/payroll taxes payable | | 9,373 |
| 345 | Other current liabilities | | 20,000 |
| 300 | Total liabilities | | <u>31,947</u> |

NET POSITION

| | | | |
|-------|------------------------------------|----|-------------------------|
| 508.4 | Net investment in capital assets | | 139,162 |
| 512.4 | Unrestricted net position | | 3,520,353 |
| 513 | Total net position | | <u>3,659,515</u> |
| 600 | Total liabilities and net position | \$ | <u><u>3,691,462</u></u> |

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

**CITY OF PLYMOUTH, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY - STATE/LOCAL
FINANCIAL DATA SCHEDULE
INCOME STATEMENT
YEAR ENDED DECEMBER 31, 2016**

REVENUES:

| | | | |
|-------|----------------------------------|----|----------------|
| 70800 | Other government grants | \$ | 125,000 |
| 71100 | Investment income - unrestricted | | 29,762 |
| 71500 | Other revenue | | 577,605 |
| 70000 | Total revenue | | <u>732,367</u> |

OPERATING EXPENSES:

Administrative:

| | | | |
|-------|---|--|----------------|
| 91100 | Administrative salaries | | 180,581 |
| 91200 | Auditing fees | | 1,759 |
| 91500 | Employee benefit contributions - administrative | | 48,542 |
| 91600 | Office expenses | | 25,164 |
| 91700 | Legal expense | | 5,144 |
| 91800 | Travel | | - |
| 91900 | Other | | 15,174 |
| 91000 | Total administrative | | <u>276,364</u> |

Ordinary maintenance and operations:

| | | | |
|-------|---------------------|--|---------------|
| 94200 | Materials and other | | 823 |
| 94300 | Contracts | | 13,167 |
| 94000 | Total maintenance | | <u>13,990</u> |

General expenses:

| | | | |
|-------|-------------------------|--|--------------|
| 96110 | Property insurance | | 54 |
| 96120 | Liability insurance | | 46 |
| 96130 | Workmen's compensation | | 161 |
| 96140 | All other insurance | | 832 |
| 96100 | Total insurance premium | | <u>1,093</u> |

Other general expenses:

| | | | |
|-------|--------------------------|--|----------------|
| 96200 | Other general expenses | | 288,411 |
| 96900 | Total operating expenses | | <u>579,858</u> |

EXCESS (DEFICIENCY) OF OPERATING REVENUES
OVER (UNDER) OPERATING EXPENSES

152,509

OTHER EXPENSES:

| | | | |
|-------|----------------|--|----------------|
| 97400 | Depreciation | | 5,839 |
| 90000 | Total expenses | | <u>585,697</u> |

OTHER FINANCING SOURCES (USES):

| | | | |
|-------|--------------------------------------|--|------------------|
| 10020 | Operating transfers out | | (198,000) |
| 10100 | Total other financing sources (uses) | | <u>(198,000)</u> |

EXCESS (DEFICIENCY) OF TOTAL REVENUE
OVER (UNDER) TOTAL EXPENSES

(51,330)

NET POSITION AT BEGINNING OF YEAR

3,710,845

NET POSITION AT END OF YEAR

\$ 3,659,515

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

CITY OF PLYMOUTH, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY - BUSINESS ACTIVITIES
FINANCIAL DATA SCHEDULE
BALANCE SHEET
DECEMBER 31, 2016

ASSETS

Current assets:

| | | | |
|-----|---|----|------------------|
| 111 | Cash - unrestricted | \$ | 24,492 |
| 114 | Cash - tenant security deposit | | 130,331 |
| 131 | Investments - unrestricted | | 1,468,696 |
| 132 | Investments - restricted | | 508,802 |
| 135 | Investments - restricted for payment of current liabilities | | 690,000 |
| 124 | Accounts receivable - other government | | 73,412 |
| 126 | Accounts receivable - tenants | | 323 |
| 129 | Accrued interest receivable | | 4,539 |
| 142 | Prepaid expenses and other assets | | 38,708 |
| 150 | Total current assets | | <u>2,939,303</u> |

Non-current assets:

| | | | |
|-----|---|--|----------------------|
| 161 | Land | | 1,333,840 |
| 162 | Buildings | | 15,500,552 |
| 163 | Furniture, equipment & machinery - dwellings | | 756,592 |
| 164 | Furniture, equipment & machinery - administration | | 30,436 |
| 166 | Accumulated depreciation | | (7,576,873) |
| 167 | Construction in progress | | 29,199 |
| 180 | Total non-current assets | | <u>10,073,746</u> |
| 190 | Total assets | | <u>\$ 13,013,049</u> |

LIABILITIES

Current liabilities:

| | | | |
|-----|--|----|------------------|
| 312 | Accounts payable <= 90 days | \$ | 37,039 |
| 321 | Accrued wage/payroll taxes payable | | 3,782 |
| 322 | Accrued compensated absences - current portion | | 7,126 |
| 325 | Accrued interest payable | | 120,047 |
| 333 | Accounts payable - other government | | 90,312 |
| 341 | Tenant security deposit | | 125,748 |
| 342 | Unearned revenue | | 1,398 |
| 343 | Current portion of long-term debt - capital projects and mortgage revenue bonds | | 690,000 |
| 310 | Total current liabilities | | <u>1,075,452</u> |

Noncurrent liabilities:

| | | | |
|-----|---|--|-------------------|
| 351 | Long-term debt, net of current - capital projects and mortgage revenue bonds | | <u>11,205,231</u> |
| 300 | Total liabilities | | <u>12,280,683</u> |

NET POSITION

| | | | |
|-------|------------------------------------|--|----------------------|
| 508.4 | Net investment in capital assets | | (1,821,485) |
| 511.4 | Restricted net position | | 508,802 |
| 512.4 | Unrestricted net position | | 2,045,049 |
| 513 | Total net position | | <u>732,366</u> |
| 600 | Total liabilities and net position | | <u>\$ 13,013,049</u> |

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

CITY OF PLYMOUTH, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY - BUSINESS ACTIVITIES
FINANCIAL DATA SCHEDULE
INCOME STATEMENT
YEAR ENDED DECEMBER 31, 2016

REVENUES:

| | | | |
|-------|----------------------------------|----|------------------|
| 70300 | Net tenant rental revenue | \$ | 1,806,234 |
| 70400 | Tenant revenue - other | | 90,080 |
| 70500 | Total tenant revenue | | <u>1,896,314</u> |
| 71100 | Investment income - unrestricted | | 14,950 |
| 71500 | Other revenue | | 78,117 |
| 72000 | Investments income - restricted | | 1,917 |
| 70000 | Total revenue | | <u>1,991,298</u> |

OPERATING EXPENSES:

Administrative:

| | | | |
|-------|---|--|----------------|
| 91100 | Administrative salaries | | 107,683 |
| 91200 | Auditing fees | | 1,694 |
| 91300 | Management fee | | 106,800 |
| 91400 | Advertising and marketing | | 735 |
| 91500 | Employee benefit contributions - administrative | | 50,507 |
| 91600 | Office expenses | | 34,047 |
| 91000 | Total administrative | | <u>301,466</u> |

Tenant services:

| | | | |
|-------|-------|--|--------|
| 92400 | Other | | 12,163 |
|-------|-------|--|--------|

Utilities:

| | | | |
|-------|-----------------|--|----------------|
| 93100 | Water | | 21,693 |
| 93200 | Electricity | | 49,558 |
| 93300 | Gas | | 33,227 |
| 93000 | Total utilities | | <u>104,478</u> |

Ordinary maintenance and operations:

| | | | |
|-------|----------------------------------|--|----------------|
| 94100 | Labor | | 86,757 |
| 94200 | Materials and other | | 38,026 |
| 94300 | Contracts | | 325,560 |
| 94000 | Total maintenance and operations | | <u>450,343</u> |

General expenses:

| | | | |
|-------|--------------------|--|--------|
| 96110 | Property insurance | | 63,854 |
|-------|--------------------|--|--------|

Other general expenses:

| | | | |
|-------|---------------------------|--|--------|
| 96300 | Payments in lieu of taxes | | 90,312 |
|-------|---------------------------|--|--------|

Interest expense:

| | | | |
|-------|---|--|------------------|
| 96710 | Interest on mortgage (or bonds) payable | | 322,482 |
| 96730 | Amortization of bond issue costs | | 18,858 |
| 96700 | Total interest expense and amortization costs | | <u>341,340</u> |
| 96900 | Total operating expenses | | <u>1,363,956</u> |

(Continued...)

**CITY OF PLYMOUTH, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY - BUSINESS ACTIVITIES
FINANCIAL DATA SCHEDULE
INCOME STATEMENT
YEAR ENDED DECEMBER 31, 2016**

(Continued from previous page)

| | |
|--|-------------------|
| EXCESS (DEFICIENCY) OF OPERATING REVENUES OVER (UNDER) OPERATING EXPENSES | 627,342 |
| OTHER EXPENSES: | |
| 97400 Depreciation | 529,822 |
| OTHER FINANCING SOURCES (USES): | |
| 10010 Operating transfers in | <u>198,000</u> |
| EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES | 295,520 |
| NET POSITION AT BEGINNING OF YEAR | <u>436,846</u> |
| NET POSITION AT END OF YEAR | <u>\$ 732,366</u> |
| MEMO ACCOUNT INFORMATION: | |
| 11020 Required annual debt principal payments | \$ 670,000 |
| 11190 Unit months available | 2,340 |
| 11210 Number of unit months leased | 2,280 |

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

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL DATA SCHEDULE
Year Ended December 31, 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial data schedules are presented on a full accrual basis of accounting. The information in these schedules is presented in accordance with the U.S. Department of Housing and Urban Development (HUD), Office of Public and Indian Housing, Real Estate Assessment Center and the Financial Assessment Subsystem-Public Housing (FASS-PH). Therefore, some of the amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the City's basic financial statements.



STATISTICAL SECTION

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

| | Fiscal Year | | | | | | | | | |
|---|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 150,167 | \$ 155,191 | \$ 154,183 | \$ 155,551 | \$ 161,820 | \$ 166,158 | \$ 166,354 | \$ 188,060 | \$ 192,834 | \$ 223,538 |
| Restricted | 4,772 | 5,324 | 5,615 | 5,744 | 16,127 | 16,637 | 17,234 | 13,365 | 24,401 | 25,313 |
| Unrestricted | 70,517 | 73,960 | 76,294 | 79,792 | 76,773 | 79,439 | 83,007 | 88,808 | 76,392 | 59,654 |
| Total government activities net position | <u>\$ 225,456</u> | <u>\$ 234,475</u> | <u>\$ 236,092</u> | <u>\$ 241,087</u> | <u>\$ 254,720</u> | <u>\$ 262,234</u> | <u>\$ 266,595</u> | <u>\$ 290,233</u> | <u>\$ 293,627</u> | <u>\$ 308,505</u> |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ 91,541 | \$ 91,502 | \$ 92,630 | \$ 92,171 | \$ 98,947 | \$ 101,819 | \$ 106,156 | \$ 108,738 | \$ 109,940 | \$ 121,172 |
| Restricted | 18,377 | 19,658 | 18,876 | 20,833 | 22,515 | 24,362 | 26,906 | 27,846 | 24,095 | 19,850 |
| Unrestricted | 17,241 | 16,054 | 15,756 | 13,541 | 12,781 | 12,870 | 9,382 | 8,231 | 9,127 | 8,249 |
| Total business-type activities net position | <u>\$ 127,159</u> | <u>\$ 127,214</u> | <u>\$ 127,262</u> | <u>\$ 126,545</u> | <u>\$ 134,243</u> | <u>\$ 139,051</u> | <u>\$ 142,444</u> | <u>\$ 144,815</u> | <u>\$ 143,162</u> | <u>\$ 149,271</u> |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | \$ 241,708 | \$ 246,693 | \$ 246,813 | \$ 247,722 | \$ 260,767 | \$ 267,977 | \$ 272,510 | \$ 296,798 | \$ 302,774 | \$ 344,710 |
| Restricted | 23,149 | 24,982 | 24,491 | 26,577 | 38,642 | 40,999 | 44,140 | 41,211 | 48,496 | 45,163 |
| Unrestricted | 87,758 | 90,014 | 92,050 | 93,333 | 89,554 | 92,309 | 92,389 | 97,039 | 85,519 | 67,903 |
| Total primary government net position | <u>\$ 352,615</u> | <u>\$ 361,689</u> | <u>\$ 363,354</u> | <u>\$ 367,632</u> | <u>\$ 388,963</u> | <u>\$ 401,285</u> | <u>\$ 409,039</u> | <u>\$ 435,048</u> | <u>\$ 436,789</u> | <u>\$ 457,776</u> |

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

| | Fiscal Year | | | | | | | | | |
|--|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 8,268 | \$ 5,398 | \$ 4,979 | \$ 4,733 | \$ 4,300 | \$ 4,736 | \$ 4,483 | \$ 4,743 | \$ 5,836 | \$ 7,742 |
| Economic development | - | - | - | 226 | 353 | 354 | 345 | 653 | 679 | 724 |
| Parks and recreation | 7,694 | 7,914 | 7,498 | 7,977 | 8,115 | 8,044 | 7,987 | 8,427 | 8,833 | 9,216 |
| Public safety | 12,221 | 14,214 | 14,214 | 14,296 | 13,714 | 14,310 | 15,311 | 16,111 | 16,815 | 22,203 |
| Public service | 4,377 | 4,541 | 4,323 | 5,102 | 4,431 | 4,020 | 4,310 | 4,131 | 4,410 | 4,669 |
| Public works | 10,051 | 10,374 | 10,876 | 10,615 | 11,936 | 12,189 | 12,164 | 12,700 | 13,610 | 12,253 |
| Interest on long-term debt | 701 | 772 | 757 | 648 | 636 | 808 | 624 | 592 | 553 | 301 |
| Total governmental activities expenses | <u>43,312</u> | <u>43,213</u> | <u>42,647</u> | <u>43,597</u> | <u>43,485</u> | <u>44,461</u> | <u>45,224</u> | <u>47,357</u> | <u>50,736</u> | <u>57,108</u> |
| Business-type activities: | | | | | | | | | | |
| Water sewer utility | 14,528 | 14,620 | 14,789 | 14,234 | 14,497 | 15,045 | 15,404 | 15,664 | 17,384 | 16,869 |
| Ice center | 1,700 | 1,761 | 1,623 | 1,669 | 1,726 | 1,695 | 1,734 | 1,708 | 1,717 | 1,906 |
| Water resources | 1,714 | 1,922 | 2,086 | 1,829 | 1,818 | 1,932 | 1,966 | 1,996 | 2,751 | 2,660 |
| Solid waste management | 969 | 1,029 | 944 | 1,049 | 1,055 | 900 | 916 | 922 | 1,060 | 1,082 |
| Field house | 307 | 299 | 293 | 255 | 230 | 236 | 310 | 324 | 284 | 292 |
| Total business-type activities expenses | <u>19,218</u> | <u>19,631</u> | <u>19,736</u> | <u>19,036</u> | <u>19,326</u> | <u>19,808</u> | <u>20,330</u> | <u>20,614</u> | <u>23,196</u> | <u>22,809</u> |
| Total primary government expenses | <u>\$ 62,530</u> | <u>\$ 62,844</u> | <u>\$ 62,382</u> | <u>\$ 62,633</u> | <u>\$ 62,811</u> | <u>\$ 64,269</u> | <u>\$ 65,554</u> | <u>\$ 67,971</u> | <u>\$ 73,932</u> | <u>\$ 79,917</u> |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | \$ 334 | \$ 46 | \$ 333 | \$ 469 | \$ 539 | \$ 423 | \$ 487 | \$ 416 | \$ 487 | \$ 1,470 |
| Economic development | - | - | - | 7 | 7 | - | - | - | - | - |
| Parks and recreation | 1,296 | 1,451 | 1,312 | 1,461 | 1,519 | 1,582 | 1,525 | 1,599 | 1,520 | 1,989 |
| Public safety | 3,469 | 3,931 | 2,176 | 2,385 | 3,884 | 3,705 | 4,032 | 4,516 | 5,641 | 4,434 |
| Public service | 1,126 | 1,098 | 1,009 | 953 | 1,078 | 979 | 895 | 1,007 | 994 | 1,019 |
| Public works | 931 | 902 | 576 | 1,503 | 1,935 | 1,479 | 1,644 | 2,833 | 1,910 | 2,701 |
| Operating grants and contributions | 6,804 | 9,346 | 7,118 | 6,910 | 5,579 | 7,770 | 7,858 | 9,405 | 9,393 | 9,434 |
| Capital grants and contributions | 10,292 | 3,485 | 2,138 | 3,578 | 9,094 | 4,582 | 5,525 | 15,343 | 9,871 | 14,970 |
| Total governmental activities program revenues | <u>\$ 24,252</u> | <u>\$ 20,259</u> | <u>\$ 14,662</u> | <u>\$ 17,266</u> | <u>\$ 23,635</u> | <u>\$ 20,520</u> | <u>\$ 21,966</u> | <u>\$ 35,119</u> | <u>\$ 29,816</u> | <u>\$ 36,017</u> |

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

| | Fiscal Year | | | | | | | | | |
|---|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Water sewer utility | \$ 11,830 | \$ 12,276 | \$ 13,089 | \$ 12,950 | \$ 13,546 | \$ 14,238 | \$ 15,059 | \$ 14,354 | \$ 15,315 | \$ 15,314 |
| Ice center | 1,261 | 1,372 | 1,406 | 1,401 | 1,407 | 1,465 | 1,471 | 1,508 | 1,603 | 1,608 |
| Water resources | 2,190 | 2,366 | 2,547 | 2,591 | 2,562 | 2,573 | 2,619 | 2,705 | 2,816 | 3,045 |
| Solid waste management | 1,072 | 1,296 | 411 | 710 | 941 | 632 | 523 | 498 | 519 | 596 |
| Field house | 301 | 358 | 364 | 369 | 348 | 335 | 393 | 378 | 392 | 376 |
| Operating grants and contributions | 186 | 717 | 236 | 1,087 | 372 | 329 | 446 | 327 | 378 | 629 |
| Capital grants and contributions | 2,138 | 1,071 | 589 | 778 | 10,564 | 5,036 | 2,417 | 3,970 | 1,987 | 6,200 |
| Total business-type activities program revenues | 18,978 | 19,456 | 18,642 | 19,886 | 29,740 | 24,608 | 22,928 | 23,740 | 23,010 | 27,768 |
| Total primary government program revenues | \$ 43,230 | \$ 39,715 | \$ 33,304 | \$ 37,152 | \$ 53,375 | \$ 45,128 | \$ 44,894 | \$ 58,859 | \$ 52,826 | \$ 63,785 |
| Net (expense) revenue | | | | | | | | | | |
| Governmental activities | \$ (19,060) | \$ (22,954) | \$ (27,985) | \$ (26,331) | \$ (19,850) | \$ (23,941) | \$ (23,258) | \$ (12,238) | \$ (20,920) | \$ (21,091) |
| Business-type activities | (240) | (175) | (1,094) | 850 | 10,414 | 4,800 | 2,598 | 3,126 | (186) | 4,959 |
| Total primary government | \$ (19,300) | \$ (23,129) | \$ (29,078) | \$ (25,481) | \$ (9,436) | \$ (19,141) | \$ (20,660) | \$ (9,112) | \$ (21,106) | \$ (16,132) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes | \$ 26,086 | \$ 27,543 | \$ 29,057 | \$ 28,581 | \$ 28,551 | \$ 29,256 | \$ 29,695 | \$ 30,038 | \$ 31,108 | \$ 32,191 |
| Franchise fees | - | - | - | - | - | - | - | - | 2,631 | 2,164 |
| Investment earnings | 3,962 | 2,881 | 732 | 361 | 1,704 | 1,109 | (1,594) | 3,448 | 1,644 | 1,116 |
| Gain on sale of capital assets | 10 | 59 | 102 | 81 | - | 133 | 91 | 144 | 83 | 39 |
| Other | 291 | 162 | 195 | 348 | 12 | 233 | 290 | 326 | 432 | 993 |
| Transfers | 1,411 | 1,328 | (485) | 1,954 | 3,216 | 724 | (863) | 1,920 | (299) | (534) |
| Total governmental activities | 31,760 | 31,973 | 29,602 | 31,325 | 33,483 | 31,455 | 27,619 | 35,876 | 35,599 | 35,969 |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 2,229 | 1,433 | 571 | 366 | 489 | 671 | (68) | 1,165 | 676 | 616 |
| Other | 113 | 125 | 85 | 21 | 11 | 61 | - | - | - | - |
| Transfers | (1,411) | (1,328) | 485 | (1,954) | (3,216) | (724) | 863 | (1,920) | 299 | 534 |
| Total business-type activities | 931 | 230 | 1,142 | (1,567) | (2,716) | 8 | 795 | (755) | 975 | 1,150 |
| Total primary government | \$ 32,691 | \$ 32,203 | \$ 30,743 | \$ 29,758 | \$ 30,767 | \$ 31,463 | \$ 28,414 | \$ 35,121 | \$ 36,574 | \$ 37,119 |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ 12,700 | \$ 9,019 | \$ 1,617 | \$ 4,994 | \$ 13,633 | \$ 7,514 | \$ 4,361 | \$ 23,638 | \$ 14,679 | \$ 14,878 |
| Business-type activities | 691 | 55 | 48 | (717) | 7,698 | 4,808 | 3,393 | 2,371 | 789 | 6,109 |
| Total primary government | \$ 13,391 | \$ 9,074 | \$ 1,665 | \$ 4,277 | \$ 21,331 | \$ 12,322 | \$ 7,754 | \$ 26,009 | \$ 15,468 | \$ 20,987 |

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

| Fiscal Year | Property Tax |
|------------------------|-------------------------|
| 2007 | \$ 26,086 |
| 2008 | 27,543 |
| 2009 | 29,057 |
| 2010 | 28,581 |
| 2011 | 28,551 |
| 2012 | 29,256 |
| 2013 | 29,695 |
| 2014 | 30,038 |
| 2015 | 31,108 |
| 2016 | 32,191 |

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

| | Fiscal Year | | | | | | | | | |
|------------------------------------|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| General fund | | | | | | | | | | |
| Nonspendable | \$ 10 | \$ 8 | \$ 7 | \$ 6 | \$ 10 | \$ 62 | \$ 37 | \$ 474 | \$ 69 | \$ 81 |
| Assigned | 68 | 1,333 | 246 | 585 | 633 | 447 | 518 | 689 | 180 | 160 |
| Unassigned | 10,943 | 9,927 | 11,478 | 11,246 | 11,365 | 11,814 | 12,234 | 12,240 | 14,349 | 14,836 |
| Total general fund | <u>\$ 11,021</u> | <u>\$ 11,268</u> | <u>\$ 11,731</u> | <u>\$ 11,837</u> | <u>\$ 12,008</u> | <u>\$ 12,323</u> | <u>\$ 12,789</u> | <u>\$ 13,403</u> | <u>\$ 14,598</u> | <u>\$ 15,077</u> |
| All other governmental funds | | | | | | | | | | |
| Nonspendable | \$ 46 | \$ 46 | \$ 46 | \$ 46 | \$ 46 | \$ 52 | \$ 51 | \$ 60 | \$ 54 | \$ 53 |
| Restricted | 10,769 | 12,568 | 16,777 | 14,515 | 15,289 | 19,475 | 20,227 | 16,233 | 19,065 | 20,422 |
| Assigned | 32,570 | 32,571 | 33,505 | 34,137 | 38,214 | 41,654 | 43,961 | 48,901 | 48,915 | 34,509 |
| Unassigned | - | - | (1) | (1) | (1) | - | - | (542) | - | - |
| Total all other governmental funds | <u>43,385</u> | <u>45,185</u> | <u>50,327</u> | <u>48,697</u> | <u>53,548</u> | <u>61,181</u> | <u>64,239</u> | <u>64,652</u> | <u>68,034</u> | <u>54,984</u> |
| Total Governmental Funds | <u>\$ 54,406</u> | <u>\$ 56,453</u> | <u>\$ 62,058</u> | <u>\$ 60,534</u> | <u>\$ 65,556</u> | <u>\$ 73,504</u> | <u>\$ 77,028</u> | <u>\$ 78,055</u> | <u>\$ 82,632</u> | <u>\$ 70,061</u> |

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

| | Fiscal Year | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Revenues | | | | | | | | | | |
| Property taxes | \$ 26,030 | \$ 27,465 | \$ 29,037 | \$ 28,633 | \$ 28,547 | \$ 29,336 | \$ 29,721 | \$ 30,017 | \$ 31,184 | \$ 32,100 |
| Special assessments | 152 | 134 | 128 | 86 | 88 | 92 | 82 | 76 | 36 | 20 |
| Licenses and permits | 3,420 | 3,828 | 2,272 | 2,466 | 3,242 | 3,942 | 4,232 | 5,078 | 5,954 | 4,643 |
| Intergovernmental | 10,824 | 8,099 | 7,687 | 8,399 | 6,809 | 4,923 | 5,658 | 13,181 | 11,569 | 15,138 |
| Charges for services | 3,551 | 3,238 | 3,422 | 4,061 | 4,635 | 4,235 | 4,483 | 4,840 | 4,680 | 6,212 |
| Franchise fees | - | - | - | - | - | - | - | 839 | 2,631 | 2,164 |
| Fines and forfeitures | 894 | 897 | 798 | 733 | 878 | 847 | 683 | 606 | 636 | 444 |
| Contributions | 633 | 705 | 92 | 1,151 | 1,476 | 897 | 2,178 | 1,301 | 3,582 | 2,157 |
| Interest income (loss) | 2,852 | 2,095 | 568 | 290 | 1,234 | 831 | (1,093) | 2,525 | 1,225 | 853 |
| Loan repayments | - | - | 5 | 7 | 7 | 7 | 7 | 8 | 8 | 8 |
| Other revenue | 459 | 278 | 227 | 333 | 262 | 207 | 226 | 291 | 389 | 946 |
| Total Revenue | 48,815 | 46,739 | 44,236 | 46,159 | 47,178 | 45,317 | 46,177 | 58,762 | 61,894 | 64,685 |
| Expenditures | | | | | | | | | | |
| General government | 5,309 | 4,341 | 4,103 | 4,365 | 4,177 | 4,627 | 4,579 | 4,492 | 5,598 | 7,348 |
| Economic development | - | - | - | 226 | 953 | 354 | 346 | 673 | 690 | 694 |
| Parks and recreation | 6,072 | 6,219 | 6,300 | 6,621 | 6,744 | 6,815 | 6,821 | 7,314 | 7,624 | 7,708 |
| Public safety | 11,655 | 13,222 | 13,511 | 13,856 | 13,478 | 14,173 | 15,014 | 15,913 | 16,720 | 17,801 |
| Public service | 4,362 | 4,452 | 4,449 | 4,017 | 4,248 | 3,892 | 4,139 | 4,021 | 4,284 | 4,545 |
| Public works | 4,099 | 4,294 | 4,155 | 5,065 | 5,118 | 4,873 | 5,184 | 5,353 | 6,223 | 4,864 |
| Interest on interfund advances | 62 | 51 | 39 | 27 | 76 | 56 | 51 | 45 | 56 | 64 |
| Debt service: | | | | | | | | | | |
| Principal retirement | 1,535 | 1,600 | 1,690 | 1,920 | 1,445 | 1,915 | 1,320 | 1,345 | 1,810 | 995 |
| Interest and fiscal charges | 723 | 752 | 759 | 682 | 652 | 649 | 727 | 646 | 601 | 408 |
| Bond issuance costs | 30 | - | 49 | 37 | - | - | - | - | 63 | - |
| Capital outlay | 17,174 | 11,235 | 7,636 | 11,909 | 10,289 | 8,255 | 7,788 | 23,691 | 15,773 | 35,874 |
| Total Expenditures | 51,021 | 46,166 | 42,691 | 48,725 | 47,180 | 45,609 | 45,969 | 63,493 | 59,442 | 80,301 |
| Excess of revenues over (under) expenditures | (2,206) | 573 | 1,545 | (2,566) | (2) | (292) | 208 | (4,731) | 2,452 | (15,616) |

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

| | Fiscal Year | | | | | | | | | |
|---|-----------------|-----------------|-----------------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Other financing sources (uses) | | | | | | | | | | |
| Transfers in | \$ 16,901 | \$ 11,858 | \$ 8,505 | \$ 16,611 | \$ 16,988 | \$ 12,006 | \$ 12,377 | \$ 30,790 | \$ 24,202 | \$ 27,623 |
| Transfers out | (12,945) | (10,384) | (8,449) | (14,658) | (11,965) | (8,926) | (9,061) | (25,033) | (20,918) | (24,577) |
| Bonds issued | 2,715 | - | 3,935 | 2,990 | - | 4,815 | - | - | 3,295 | - |
| Premium (discount) on debt | (7) | - | 69 | 49 | - | 345 | - | - | 121 | - |
| Payment on refunded bonds | - | - | - | (3,950) | - | - | - | - | (4,575) | - |
| Sale of capital assets | 42 | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>6,706</u> | <u>1,474</u> | <u>4,060</u> | <u>1,042</u> | <u>5,023</u> | <u>8,240</u> | <u>3,316</u> | <u>5,757</u> | <u>2,125</u> | <u>3,046</u> |
| Net change in fund balances | <u>\$ 4,500</u> | <u>\$ 2,047</u> | <u>\$ 5,605</u> | <u>\$ (1,524)</u> | <u>\$ 5,021</u> | <u>\$ 7,948</u> | <u>\$ 3,524</u> | <u>\$ 1,026</u> | <u>\$ 4,577</u> | <u>\$ (12,570)</u> |
| Capitalized expenditures | 14,472 | 10,669 | 6,141 | 11,909 | 10,289 | 8,255 | 8,005 | 23,860 | 15,963 | 36,323 |
| Debt service as a percentage of noncapital expenditures | 6.18% | 6.63% | 6.70% | 7.07% | 5.68% | 6.86% | 5.39% | 5.02% | 5.55% | 3.19% |

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

| <u>Fiscal Year</u> | <u>Property Tax</u> |
|------------------------|-------------------------|
| 2007 | \$ 26,030 |
| 2008 | 27,465 |
| 2009 | 29,037 |
| 2010 | 28,633 |
| 2011 | 28,547 |
| 2012 | 29,336 |
| 2013 | 29,721 |
| 2014 | 30,017 |
| 2015 | 31,184 |
| 2016 | 32,100 |

CITY OF PLYMOUTH, MINNESOTA
ASSESSED VALUE/TAX CAPACITY VALUE AND ESTIMATED MARKET VALUE
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except for population and direct tax rate)

| | FISCAL YEAR | | | | | | | | | |
|----------------------------------|--------------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Population (1) | 71,147 | 71,536 | 72,268 | 70,576 | 71,263 | 72,644 | 72,969 | 73,633 | 74,592 | 74,967 |
| Real Property | | | | | | | | | | |
| Assessed/tax capacity value | \$ 112,009 | \$ 121,295 | \$ 122,107 | \$ 116,187 | \$ 108,748 | \$ 103,968 | \$ 103,542 | \$ 105,159 | \$ 112,282 | \$ 117,851 |
| Estimated market value | \$ 9,440,899 | \$ 10,041,803 | \$ 10,012,350 | \$ 9,548,268 | \$ 8,973,492 | \$ 8,802,943 | \$ 8,704,104 | \$ 8,872,822 | \$ 9,510,688 | \$ 9,966,663 |
| Personal Property | | | | | | | | | | |
| Assessed/tax capacity value | \$ 1,023 | \$ 943 | \$ 942 | \$ 944 | \$ 1,021 | \$ 1,071 | \$ 1,219 | \$ 1,296 | \$ 1,378 | \$ 1,466 |
| Estimated market value | \$ 51,652 | \$ 47,578 | \$ 47,640 | \$ 47,820 | \$ 51,696 | \$ 54,454 | \$ 61,736 | \$ 65,587 | \$ 69,647 | \$ 74,290 |
| Total Real and Personal Property | | | | | | | | | | |
| Assessed/tax capacity value | \$ 113,032 | \$ 122,238 | \$ 123,048 | \$ 117,131 | \$ 109,769 | \$ 105,039 | \$ 104,761 | \$ 106,455 | \$ 113,660 | \$ 119,317 |
| Estimated market value | \$ 9,492,551 | \$ 10,089,381 | \$ 10,059,990 | \$ 9,596,088 | \$ 9,025,188 | \$ 8,857,397 | \$ 8,765,840 | \$ 8,938,409 | \$ 9,580,335 | \$ 10,040,953 |
| Total direct tax rate (2) | 23.75 | 23.35 | 24.86 | 26.01 | 27.49 | 28.72 | 29.81 | 30.12 | 28.38 | 27.84 |

Source: Hennepin County

(1) See the Schedule of Demographic and Economic Statistics for population data.

(2) See the Schedule of Direct and Overlapping Property Tax Rates for the direct tax rate data.

**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 | Operating |
| 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 |
| 2010 | 25.50 | 0.51 | 26.01 | 42.64 | 8.14 | 23.05 | 22.38 | 28.62 | 23.31 | - | 1.51 | 0.69 | 0.08 |
| 2011 | 26.94 | 0.55 | 27.49 | 45.84 | 9.17 | 26.46 | 24.22 | 34.39 | 24.03 | - | 1.61 | 0.67 | 0.57 |
| 2012 | 28.15 | 0.57 | 28.72 | 48.23 | 9.52 | 29.27 | 24.93 | 32.81 | 25.33 | - | 1.71 | 0.62 | - |
| 2013 | 29.24 | 0.57 | 29.81 | 49.46 | 10.09 | 29.73 | 27.97 | 32.35 | 25.24 | - | 1.77 | 0.84 | 0.10 |
| 2014 | 29.55 | 0.57 | 30.12 | 49.96 | 10.56 | 32.36 | 29.82 | 34.78 | 24.57 | - | 1.81 | 0.75 | - |
| 2015 | 27.85 | 0.53 | 28.38 | 46.40 | 9.80 | 30.34 | 27.16 | 33.23 | 26.25 | 0.13 | 1.74 | 0.78 | 0.26 |
| 2016 | 27.33 | 0.51 | 27.84 | 45.36 | 9.53 | 28.51 | 26.27 | 33.83 | 26.11 | 0.22 | 1.72 | 0.90 | 0.25 |

Source: Hennepin County

(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 | 2016 | | | 2007 | | |
|-----------------------------------|--------------------|------|--|--------------------|------|--|
| | Tax Capacity Value | Rank | Percentage of Total Tax Capacity Value | Tax Capacity Value | Rank | Percentage of Total Tax Capacity Value |
| LCS-Westminster Prtshp V LLP | \$ 1,322 | 1 | 1.11% | \$ - | - | - |
| TFO Reva Wildamere PCC LLC | 1,009 | 2 | 0.85% | - | - | - |
| RREF Park Place LLC | 950 | 3 | 0.80% | - | - | - |
| Talcott III Atria LLC | 907 | 4 | 0.76% | 725 | 6 | 0.65% |
| St Paul Properties Inc | 877 | 5 | 0.74% | 1,171 | 2 | 1.05% |
| Stoneleigh Apartments LLC | 742 | 6 | 0.62% | - | - | - |
| HSRE-WH Mob LLC | 696 | 7 | 0.58% | - | - | 0.00% |
| 505 Waterford LLC | 679 | 8 | 0.57% | 581 | 7 | 0.52% |
| One Two Holding LLC | 659 | 9 | 0.55% | - | - | - |
| FW MN-Rockford Road LLC | 638 | 10 | 0.53% | - | - | - |
| Carlson Companies | - | - | - | 1,821 | 1 | 1.63% |
| Liberty Property Ltd. Partnership | - | - | - | 888 | 3 | 0.79% |
| Principal Life Insurance Co. | - | - | - | 793 | 4 | 0.71% |
| Sentinel Real Estate Corp | - | - | - | 770 | 5 | 0.69% |
| West Health Inc | - | - | - | 556 | 8 | 0.50% |
| FE Trotter Inc | - | - | - | 554 | 9 | 0.49% |
| Utah State Retirement Fund | - | - | - | 503 | 10 | 0.45% |
| | <u>\$ 8,479</u> | | <u>7.12%</u> | <u>\$ 8,362</u> | | <u>7.48%</u> |

Source: Hennepin County.

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 |
| 2007 | \$ 25,889 | \$ 25,679 | 99.19% | \$ 199 | \$ 25,878 | 99.96% |
| 2008 | 27,485 | 26,960 | 98.09% | 275 | 27,235 | 99.09% |
| 2009 | 28,899 | 27,915 | 96.60% | 264 | 28,179 | 97.51% |
| 2010 | 28,727 | 27,797 | 96.76% | 231 | 28,028 | 97.57% |
| 2011 | 28,728 | 27,748 | 96.59% | 224 | 27,972 | 97.37% |
| 2012 | 28,728 | 28,411 | 98.90% | 160 | 28,571 | 99.45% |
| 2013 | 29,185 | 28,870 | 98.92% | 131 | 29,001 | 99.37% |
| 2014 | 29,770 | 29,511 | 99.13% | 93 | 29,604 | 99.44% |
| 2015 | 30,365 | 30,298 | 99.78% | 67 | 30,365 | 100.00% |
| 2016 | 31,273 | 30,966 | 99.02% | - | 30,966 | 99.02% |

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 | | | |
| 2007 | \$ 14,293 | \$ 2,160 | \$ 4,065 | \$ 10,628 | \$ 31,146 | 1.02% | \$ 438 |
| 2008 | 13,349 | 1,575 | 3,990 | 9,885 | 28,799 | 0.87% | 403 |
| 2009 | 13,861 | 980 | 6,382 | 9,127 | 30,350 | 0.90% | 420 |
| 2010 | 14,259 | 370 | 3,741 | 8,344 | 26,714 | 0.82% | 379 |
| 2011 | 13,044 | 285 | 3,575 | 7,541 | 24,445 | 0.73% | 343 |
| 2012 | 16,732 | - | 3,374 | 12,042 | 32,148 | 0.96% | 443 |
| 2013 | 15,576 | - | 3,163 | 11,073 | 29,812 | 0.85% | 409 |
| 2014 | 14,420 | - | 2,938 | 5,127 | 22,485 | 0.65% | 305 |
| 2015 | 12,494 | - | 1,852 | 4,176 | 18,522 | 0.54% | 248 |
| 2016 | 11,586 | - | 1,685 | 3,210 | 16,481 | 0.47% | 220 |

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 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(2) | Total | Percentage of Estimated Actual Taxable Value of Property(1) | Per Capita(1) |
|-------------------------------|--------------------------|---|-----------|---|---------------|
| 2007 | \$ 31,146 | \$ 2,129 | \$ 29,017 | 0.13% | \$ 170 |
| 2008 | 28,799 | 2,248 | 26,551 | 0.11% | 154 |
| 2009 | 30,350 | 3,913 | 26,437 | 0.26% | 366 |
| 2010 | 26,714 | 2,505 | 24,209 | 0.25% | 343 |
| 2011 | 24,445 | 3,311 | 21,134 | 0.23% | 297 |
| 2012 | 32,148 | 8,192 | 23,956 | 0.27% | 330 |
| 2013 | 29,812 | 7,767 | 22,045 | 0.25% | 302 |
| 2014 | 22,485 | 7,523 | 14,962 | 0.17% | 203 |
| 2015 | 18,522 | 2,213 | 16,309 | 0.17% | 218 |
| 2016 | 16,481 | 2,344 | 14,137 | 0.14% | 189 |

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 for property value data and population.

(2) The City is using governmental net position restricted for debt service. We believe this to be the best amount available to present a consistent net amount when refunding bonds are held for payment, which are not restricted on entity-wide statements due to conversion for full accrual accounting.

CITY OF PLYMOUTH, MINNESOTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2016
(amounts expressed in thousands)

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable *</u> | <u>Estimated Share of Overlapping Debt</u> |
|---|-----------------------------|--|--|
| Debt repaid with property taxes: | | | |
| Hennepin County | \$ 1,151,785 | 7.2% | \$ 58,095 |
| ISD #270 (Hopkins) | 138,185 | 3.5% | 4,720 |
| ISD #279 (Osseo) | 175,190 | 10.3% | 10,629 |
| ISD #281 (Robbinsdale) | 217,764 | 24.8% | 51,073 |
| IDS #284 (Wayzata) | 165,110 | 55.7% | 83,978 |
| Metropolitan Council | 1,445,126 | 3.6% | 1,411 |
| Three Rivers Park District | 70,475 | 10.0% | 4,755 |
| Hennepin County Regional Railroad Auth. | 33,145 | 10.0% | 3,268 |
| Subtotal, overlapping debt | | | <u>217,929</u> |
| City of Plymouth direct debt | | | <u>13,271</u> |
| Total direct and overlapping debt | | | <u><u>\$ 231,200</u></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 | | | | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Debt limit | \$ 188,344 | \$ 301,248 | \$ 301,800 | \$ 287,883 | \$ 270,756 | \$ 265,722 | \$ 262,975 | \$ 268,152 | \$ 287,410 | \$ 301,229 |
| Total net debt applicable to limit | 12,081 | 11,022 | 9,827 | 11,605 | 10,388 | 8,844 | 8,274 | 7,690 | 10,183 | 9,435 |
| Legal debt margin | <u>\$ 176,263</u> | <u>\$ 290,226</u> | <u>\$ 291,973</u> | <u>\$ 276,278</u> | <u>\$ 260,368</u> | <u>\$ 256,878</u> | <u>\$ 254,701</u> | <u>\$ 260,462</u> | <u>\$ 277,227</u> | <u>\$ 291,794</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 6.41% | 3.66% | 3.26% | 4.03% | 3.84% | 3.33% | 3.15% | 2.87% | 3.54% | 3.13% |

Legal Debt Margin Calculation for Fiscal Year 2016

| | |
|---|-------------------|
| Estimated taxable market value | \$ 10,040,953 |
| Debt limit (3% of total market value) | 301,229 |
| Debt applicable to limit: | |
| Open Spaces GO Bonds 2007A | 1,630 |
| Open Space Bonds 2010A | 2,155 |
| Refunding Bonds 2012A | 4,235 |
| Open Space Bonds 2015A | 3,220 |
| Less: Amount set aside for repayment of general obligation debt | <u>(1,805)</u> |
| Total net debt applicable to limit | <u>9,435</u> |
| Legal debt margin | <u>\$ 291,794</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 | | Coverage | Special Assessment Collections | Debt Service | | Coverage | |
| | | | | Principal(1) | Interest | | | Principal | Interest | | |
| 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 | |
| 2010 | 13,380 | 10,523 | 2,857 | 785 | 336 | 2.55 | 1,253 | 610 | 31 | 1.95 | |
| 2011 | 13,712 | 10,654 | 3,058 | 805 | 309 | 2.75 | 1,264 | 85 | 19 | 12.15 | |
| 2012 | 14,900 | 10,900 | 4,000 | 830 | 280 | 3.60 | 1,541 | 285 | 20 | 5.05 | |
| 2013 | 15,158 | 11,132 | 4,026 | 940 | 432 | 2.93 | - | - | - | - | |
| 2014 | 15,386 | 11,408 | 3,978 | 950 | 253 | 3.31 | - | - | - | - | |
| 2015 | 15,856 | 13,066 | 2,790 | 920 | 87 | 2.77 | - | - | - | - | |
| 2016 | 15,816 | 12,987 | 2,829 | 935 | 60 | 2.84 | - | - | - | - | |

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.

Operating Expenses include personal services, materials and supplies, and contractual services.

(1) Refunding payments have been excluded.

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

| Fiscal Year | Population (A) | Personal Income (In Thousands) | Per Capita Personal Income (B) | School Enrollment (C) | Unemployment Rate (A) |
|-------------|-------------------|-----------------------------------|-----------------------------------|--------------------------|--------------------------|
| 2007 | 71,147 | \$ 3,053,772 | \$ 42,922 | 53,251 | 3.7% |
| 2008 | 71,536 | 3,293,231 | 46,036 | 51,262 | 6.4% |
| 2009 | 72,268 | 3,370,869 | 46,644 | 51,215 | 6.0% |
| 2010 (D) | 70,576 | 3,275,079 | 46,405 | 51,116 | 6.1% |
| 2011 | 71,263 | 3,363,257 | 47,195 | 51,807 | 4.6% |
| 2012 | 72,644 | 3,346,927 | 46,073 | 51,553 | 4.3% |
| 2013 | 72,969 | 3,515,428 | 48,177 | 51,480 | 3.6% |
| 2014 | 73,633 | 3,456,922 | 46,948 | 51,613 | 2.6% |
| 2015 | 74,592 | 3,459,204 | 46,375 | 51,425 | 2.6% |
| 2016 | 74,967 | 3,533,195 | 47,130 | 51,697 | 3.0% |

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

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

| Employer | 2016 | | | 2007 | | |
|---------------------------------|---------------|------|---|--------------|------|---|
| | Employees | Rank | Percentage of Total Plymouth Employment | Employees | Rank | Percentage of Total Plymouth Employment |
| Medtronic | 3,000 | 1 | 6.12% | - | - | - |
| Honeywell International | 2,000 | 2 | 4.08% | 500 | 5 | 1.20% |
| I.S.D. No. 284 (Wayzata) | 1,726 | 3 | 3.52% | 475 | 6 | 1.14% |
| Abbott | 1,300 | 4 | 2.65% | - | - | - |
| Aimia | 1,000 | 5 | 2.04% | - | - | - |
| TCF Bank | 1,000 | 6 | 2.04% | 1,600 | 2 | 3.83% |
| City of Plymouth | 571 | 7 | 1.16% | - | - | - |
| U.S. Foods | 500 | 8 | 1.02% | 400 | 8 | 0.96% |
| Select Comfort | 500 | 9 | 1.02% | - | - | - |
| Nilfisk-Advance, Inc | 450 | 10 | 0.92% | - | - | - |
| Carlson Companies | - | - | - | 2,225 | 1 | 5.33% |
| Qwest Companies | - | - | - | 700 | 3 | 1.68% |
| Boston Scientific | - | - | - | 600 | 4 | 1.44% |
| Upsher-Smith Laboratories, Inc. | - | - | - | 400 | 7 | 0.96% |
| Fortis Health | - | - | - | 390 | 9 | 0.93% |
| Deltak Corp | - | - | - | 370 | 10 | 0.89% |
| | <u>12,047</u> | | <u>24.58%</u> | <u>7,660</u> | | <u>18.36%</u> |

Note: Data is based on the most current information available.

Sources: City Community Development Department, 2016 Ehlers

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

| Function | Fiscal Year | | | | | | | | | |
|--------------------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| General Government | | | | | | | | | | |
| Administration | 10 | 10 | 10 | 11 | 8 | 9 | 8 | 8 | 12 | 12 |
| Assessing | 6 | 6 | 6 | 7 | 7 | 7 | 7 | - | - | - |
| Finance | 15 | 15 | 14 | 13 | 10 | 12 | 12 | 11 | 9 | 9 |
| Inspection | 12 | 12 | 12 | 12 | 10 | 11 | 11 | 11 | 12 | 12 |
| Planning | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 12 | 12 | 12 |
| Information Technology | 7 | 8 | 7 | 7 | 5 | 6 | 6 | 6 | 6 | 6 |
| Parks | | | | | | | | | | |
| Administration | 5 | 5 | 5 | 9 | 9 | 9 | 9 | 9 | 10 | 10 |
| Park Maintenance | 25 | 26 | 26 | 21 | 20 | 20 | 19 | 20 | 22 | 23 |
| Plymouth Creek | 5 | 5 | 6 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Ice Center | 5 | 5 | 5 | 4 | 5 | 5 | 5 | 5 | 4 | 4 |
| Public Safety | | | | | | | | | | |
| Police- Sworn | 69 | 70 | 70 | 66 | 68 | 64 | 67 | 71 | 71 | 73 |
| Police - Civilian | 16 | 17 | 16 | 17 | 15 | 16 | 17 | 17 | 13 | 16 |
| Fire Prevention | 2 | 2 | 2 | - | - | - | - | - | - | - |
| Full Time Fire Fighters | 7 | 7 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 7 |
| Public Works | | | | | | | | | | |
| Engineering | 17 | 17 | 17 | 13 | 13 | 10 | 9 | 11 | 11 | 11 |
| Streets | 18 | 19 | 19 | 13 | 13 | 13 | 13 | 15 | 16 | 14 |
| Central Equipment | 4 | 4 | 4 | 5 | 5 | 6 | 6 | 6 | 5 | 7 |
| Recycling Administration | 1 | 1 | 1 | 2 | 2 | 1 | 1 | 1 | 1 | 1 |
| Risk Management | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Building Management | 2 | 2 | 2 | 2 | 2 | 3 | 2 | 2 | 2 | 1 |
| Public Service | | | | | | | | | | |
| House and Development | 6 | 6 | 6 | 3 | 3 | 3 | 2 | 2 | 2 | 2 |
| Sewer/Water | 23 | 23 | 23 | 23 | 23 | 23 | 24 | 25 | 22 | 24 |
| Transit | 2 | 2 | 2 | 1 | 1 | 1 | 1 | - | - | 1 |
| | <u>269</u> | <u>274</u> | <u>271</u> | <u>252</u> | <u>242</u> | <u>242</u> | <u>241</u> | <u>243</u> | <u>241</u> | <u>249</u> |

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

| | Fiscal Year | | | | | | | | | |
|--|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Police | | | | | | | | | | |
| Medical calls | 2,925 | 2,314 | 2,962 | 3,257 | 3,284 | 3,417 | 3,564 | 3,765 | 3,892 | 4,043 |
| Traffic incidents | 17,847 | 18,471 | 15,771 | 16,380 | 20,318 | 17,632 | 16,161 | 14,473 | 14,186 | 10,965 |
| Citations | 13,090 | 12,742 | 11,313 | 11,072 | 13,729 | 10,925 | 11,712 | 10,140 | 11,580 | 7,113 |
| Other | 18,297 | 10,772 | 17,118 | 17,398 | 13,582 | 14,254 | 12,831 | 13,982 | 15,063 | 20,477 |
| Fire | | | | | | | | | | |
| Inspections | 2,301 | 1,758 | 1,629 | 1,007 | 1,221 | 1,093 | 1,070 | 1,191 | 1,488 | 1,305 |
| Fire calls - Fire | 197 | 164 | 182 | 162 | 161 | 164 | 123 | 165 | 182 | 203 |
| Fire calls - Pressure rupture/explosion | 3 | 3 | 7 | 6 | 8 | 5 | 11 | 5 | 11 | 6 |
| Fire calls - Rescue & EMS | 145 | 151 | 153 | 172 | 194 | 207 | 208 | 235 | 222 | 234 |
| Fire calls - Hazardous condition | 178 | 143 | 145 | 202 | 152 | 141 | 185 | 128 | 129 | 159 |
| Fire calls - Service calls | 91 | 94 | 112 | 135 | 148 | 144 | 146 | 165 | 115 | 159 |
| Fire calls - Good intent | 374 | 333 | 302 | 377 | 411 | 347 | 378 | 381 | 386 | 394 |
| Fire calls - False alarm/call | 514 | 453 | 347 | 348 | 455 | 362 | 452 | 440 | 433 | 367 |
| Fire calls - Severe weather/disaster | 9 | 2 | 1 | 3 | 2 | 1 | 1 | 2 | - | - |
| Fire calls - Special incidents | 1 | 1 | - | 3 | 1 | - | - | - | - | 1 |
| Inspections | | | | | | | | | | |
| Permit related | 16,942 | 17,464 | 14,568 | 18,036 | 18,043 | 19,641 | 17,750 | 20,370 | 23,468 | 21,098 |
| Non-permit related | 7,332 | 10,940 | 7,627 | 2,185 | 2,240 | 2,556 | 2,564 | 2,595 | 2,244 | 2,005 |
| Recreation | | | | | | | | | | |
| Hours of ice time | 7,054 | 6,612 | 6,801 | 7,166 | 7,315 | 6,847 | 6,784 | 6,889 | 6,902 | 6,713 |
| Number of programs | 1,818 | 1,862 | 1,908 | 2,011 | 2,003 | 2,079 | 2,146 | 2,113 | 2,150 | 2,191 |
| Plymouth Creek Center rentals | 4,053 | 3,838 | 3,757 | 3,956 | 4,218 | 4,068 | 4,086 | 4,204 | 4,081 | 3,998 |
| Water | | | | | | | | | | |
| Gallons of water production (in thousands) | 3,609,790 | 3,399,495 | 3,524,110 | 3,183,085 | 3,146,805 | 3,629,615 | 3,198,740 | 2,898,520 | 2,925,594 | 2,944,140 |
| Watermain breaks | 88 | 54 | 43 | 29 | 53 | 34 | 35 | 39 | 35 | 35 |
| Publicworks | | | | | | | | | | |
| Snowplowing hours | 1,730 | 1,954 | 2,179 | 3,003 | 970 | 3,023 | 2,786 | 1,682 | 1,749 | 1,872 |

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

| | Fiscal Year | | | | | | | | | |
|---------------------------------|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 21 | 25 | 38 | 38 | 33 | 23 | 17 | 19 | 21 | 21 |
| 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 | 28 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 |
| Other streets & alleys (miles) | 284 | 287 | 287 | 290 | 294 | 297 | 300 | 305 | 310 | 313 |
| Sidewalks (miles) | 9 | 11 | 11 | 12 | 12 | 12 | 12 | 12 | 17 | 17 |
| Streetlights | 2,910 | 2,973 | 2,984 | 3,028 | 3,059 | 3,042 | 3,133 | 3,181 | 3,219 | 3,322 |
| Parks and recreation | | | | | | | | | | |
| Acreage | 1,200 | 1,273 | 1,273 | 1,400 | 1,410 | 1,685 | 1,688 | 1,691 | 1,670 | 1,672 |
| Number of parks and playgrounds | 49 | 49 | 50 | 50 | 50 | 50 | 52 | 54 | 65 | 75 |
| Trails (miles) | 110 | 136 | 136 | 136 | 137 | 140 | 145 | 145 | 158 | 164 |
| Community center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Water | | | | | | | | | | |
| Water mains (miles) | 352 | 353 | 353 | 354 | 361 | 366 | 369 | 373 | 381 | 385 |
| Fire hydrants: | | | | | | | | | | |
| Private | 1,545 | 1,562 | 1,569 | 1,571 | 1,571 | 1,573 | 1,579 | 1,588 | 1,599 | 1,610 |
| Public | 4,333 | 4,345 | 4,429 | 4,434 | 4,528 | 4,580 | 4,638 | 4,703 | 4,700 | 4,700 |
| Wastewater | | | | | | | | | | |
| Sanitary sewer (miles) | 309 | 309 | 309 | 309 | 319 | 322 | 325 | 328 | 334 | 338 |
| Storm sewer (miles) | 133 | 134 | 134 | 134 | 140 | 143 | 146 | 150 | 157 | 162 |

Sources: Various city departments.

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