



# City of Plymouth



## 2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2018 | City of Plymouth, Minnesota



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

**For The Year Ended  
December 31, 2018**

**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**  
**Year Ended December 31, 2018**

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June 30, 2019

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, 2018.

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, 2018, 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, 2018, 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 78,000 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 11% from 2010 to 2018. As of 2018 the population is 78,351. 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 2018, while providing core services as well as services that are intended to enhance quality of life. Community surveys and national publications rate Plymouth's services at a very high level.

Although current external economic conditions are 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 2018 total estimated market value of the City was \$11,349,673,100 an increase of \$559,400,600 from 2017. The increase in total market value between payable 2017 and payable 2018 was 5.2%.

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

*Source: Metropolitan Council*

<b>Year</b>	<b>Population</b>	<b>Households</b>	<b>Employment</b>
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	76,300	31,500	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.

### **Long-term Financial Planning**

In 2017, the city produced its sixth biennial budget covering fiscal years 2018-2019. This important document required significant planning and scenario building to ensure a workable operating budget under changing economic conditions. In July of 2018, the city reviewed and updated the second year (2019) of this document following the outcomes of legislative adjustments and performed a review of revenue and expenditure patterns for the most recent activity trends.

The City also continually updates a ten year revolving financial plan for the General Fund. This is a critical tool utilized during the budget process to guide discussions and model the impact these decisions will have on the community.

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.

The City’s capital improvement plan currently covers five years of projections. Next year, the City will be extending this plan to ten years to provide a more comprehensive look at upcoming projects.

In 2018, the City implemented an asset management software called Cartegraph within the Parks and Forestry, Public Works, and Engineering divisions. Cartegraph allows the City to manage its assets more effectively, allowing for a more seamless succession planning transition, deploys and track resources efficiently, and better tracks asset conditions to help make more informed capital replacement/upgrade decisions.

The City continues to develop and will soon launch an online financial dashboard system, OpenGov, to increase reporting and transparency of financial data for an improved decision-making 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. Currently underway is a project to determine the future of the Plymouth Creek Center. Built in 1997, the PCC is still a well-used community space with over 300,000 annual visitors. Even though the PCC is valued and well utilized, it is not without its challenges. The size and types of spaces do not meet current and future needs of a growing community with an appetite for active recreation programs and services. With renovation and potential expansion on the horizon, the city is looking at what is next for the activity center – including renovation or expansion.

### **Financial Policies**

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, 2017. This was the 36<sup>th</sup> 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

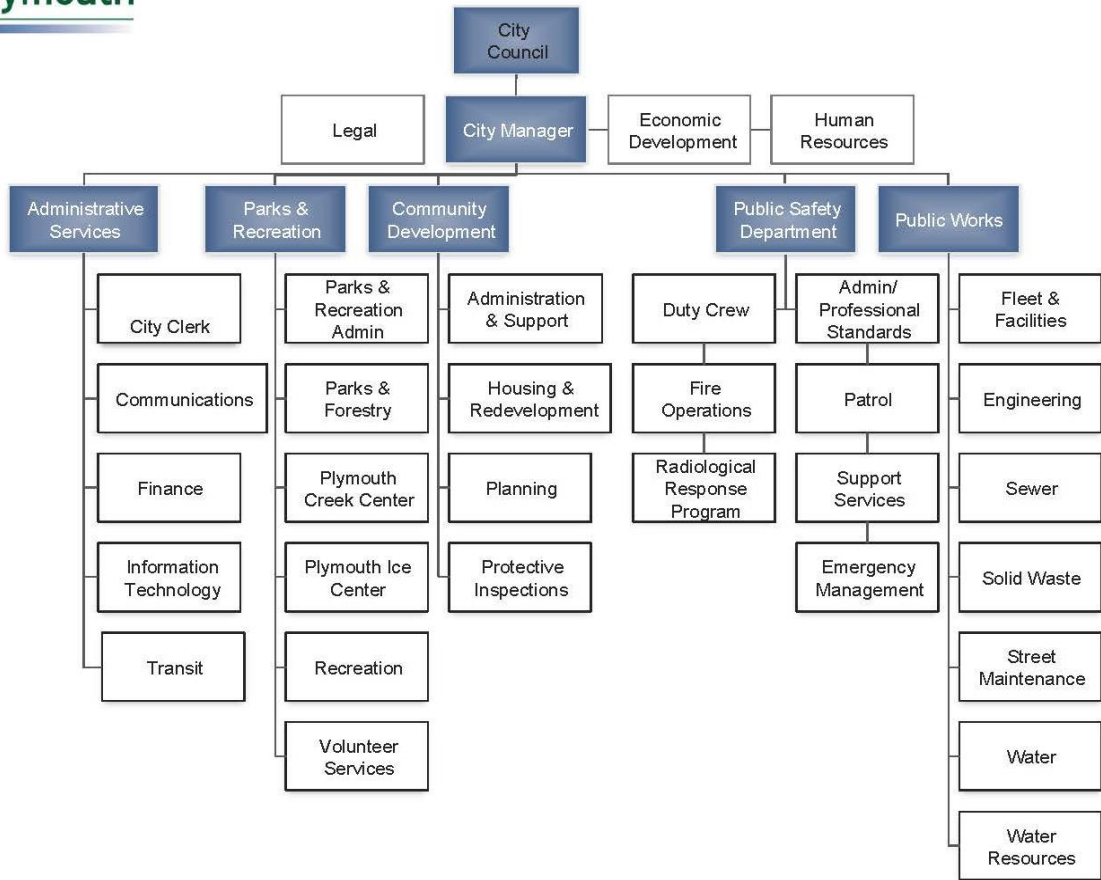
**December 31, 2017**

*Christopher P. Morrill*

Executive Director/CEO



2018 Organizational Chart



**City of Plymouth  
LISTING OF CITY OFFICIALS  
at December 31, 2018**

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	12-31-20
Councilmember Jeffry Wosje	2	Four Years	12-31-18
Councilmember Jim Davis	3	Four Years	12-31-20
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	12-31-20

City Officials and Department Directors

City Manager	Dave Callister
Director of Administrative Services	Laurie Hokkanen
Director of Community Development	Steve Juetten
Director of Parks and Recreation	Diane Evans
Director of Public Works	Michael Thompson
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  
Jaclyn M. Huegel, CPA

**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, 2018, 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, 2018, 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.

## **EMPHASIS OF MATTER**

As described in Note 1 of the notes to basic financial statements, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended December 31, 2018. Our opinion is not modified with respect to this matter.

## **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 GASB, 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 2017 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 13, 2018. In our opinion, the partial comparative information presented herein as of and for the year ended December 31, 2017 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 10, 2019 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota  
June 10, 2019

**City of Plymouth, Minnesota**  
**For the Year Ended December 31, 2018**  
**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, 2018. 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 2018, the City of Plymouth's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$495.7 million (*net position*). Net position consisted of:
  - \$46.3 million (9.3% of total net position) restricted for specific purposes
  - \$371.8 million (75.0% 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
  - \$77.6 million (15.7% 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 \$15.8 million and business-type activities resulted in an increase of \$7.0 million. Overall, the City's net position increased by \$22.8 million in 2018. Park dedication and tree restitution fees increased significantly due to elevated development activity throughout the city and additional motor vehicle sales tax collections allocated to the city; along with cost savings from personnel attrition and overall restraint on spending resulted in an increase of \$22.8 million to the net position.
- The City recorded a change in accounting principle in the current year with the implementation of the Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The change reflects standards established for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses as they relate to other post-employment benefits (OPEB) obligations. The implementation of this standard reduced beginning net position in the government-wide financial statements by \$926,033.
- The City's governmental funds reported combined ending fund balances of approximately \$77.1 million. Unlike net position, governmental fund balance measures only currently available, spendable resources. Approximately \$145 thousand of total governmental fund balances are nonspendable such as inventory, prepaid items and principal of the Cemetery Perpetual Care fund. The city's restricted fund balance is approximately \$20.0 million for specific purposes that are subject to external legal restrictions such as debt service and other restrictive uses. The remainder fund balance of \$56.9 million is comprised of \$40.4 million of assigned fund balance for purposes such as construction of long-term assets or other desired uses and \$16.5 million is unassigned.
- The City's main operating fund, the General Fund, reported a year-end balance of approximately \$16.7 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 \$851 thousand during the year.

- The City's total governmental activity bonded debt decreased by approximately \$1.0 million, or 9.7% from the prior-year. This debt represents a very modest ratio of only 2.8% of governmental net position. The City's restricted resources for governmental debt service are approximately \$2.2 million which represents approximately 23.4% of governmental debt outstanding at year-end. The City's business-type activity bonded debt decreased \$990 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 primary 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 - 75 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 \$495.7 million at the end of fiscal year 2018. A portion of the City of Plymouth's net position (75.0%) 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**  
*(amounts in thousands of dollars)*

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Assets:</b>						
Current and other assets	\$ 132,759	\$ 127,065	\$ 33,713	\$ 32,170	\$ 166,472	\$ 159,235
Capital assets net of accumulated depreciation	243,990	235,306	138,589	133,126	382,579	368,432
Total assets	<u>376,749</u>	<u>362,371</u>	<u>172,302</u>	<u>165,296</u>	<u>549,051</u>	<u>527,667</u>
<b>Deferred Outflows of Resources:</b>						
OPEB deferments	120	-	-	-	120	-
Pension plan deferments	14,282	17,782	-	-	14,282	17,782
Total deferred outflows of resources	<u>14,402</u>	<u>17,782</u>	<u>-</u>	<u>-</u>	<u>14,402</u>	<u>17,782</u>
Total assets and deferred outflows of resources	<u>\$ 391,151</u>	<u>\$ 380,153</u>	<u>\$ 172,302</u>	<u>\$ 165,296</u>	<u>\$ 563,453</u>	<u>\$ 545,449</u>
<b>Liabilities:</b>						
Current and other liabilities	\$ 10,472	\$ 9,821	\$ 2,826	\$ 1,788	\$ 13,298	\$ 11,609
Long-term liabilities	34,754	37,925	1,193	2,214	35,947	40,139
Total liabilities	<u>45,226</u>	<u>47,746</u>	<u>4,019</u>	<u>4,002</u>	<u>49,245</u>	<u>51,748</u>
<b>Deferred Inflows of Resources:</b>						
Pension plan deferments	18,507	19,876	-	-	18,507	19,876
<b>Net Position:</b>						
Net investment in capital assets	234,395	224,669	137,396	130,912	371,791	355,581
Restricted net position	25,663	23,182	20,626	22,209	46,289	45,391
Unrestricted net position	67,360	64,680	10,261	8,173	77,621	72,853
Total net position	<u>327,418</u>	<u>312,531</u>	<u>168,283</u>	<u>161,294</u>	<u>495,701</u>	<u>473,825</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 391,151</u>	<u>\$ 380,153</u>	<u>\$ 172,302</u>	<u>\$ 165,296</u>	<u>\$ 563,453</u>	<u>\$ 545,449</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 (\$77.6 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 \$15.8 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 investments, and significant cost savings from personnel attrition and overall restraint on spending.
- **Business-type activities** – The net position of business-type activities increased by \$7.0 million or 4.3%. The change in net position is the result of a positive increase from operations.

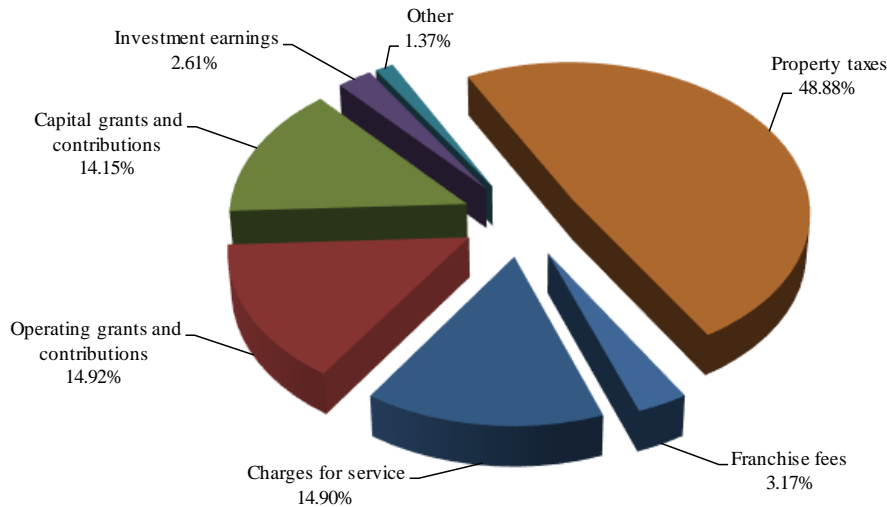
The following table indicates the changes in net position for the City's governmental and business-type activities:

<b>City of Plymouth, Minnesota</b>						
<b>Changes in Net Position</b>						
<i>(amounts in thousands of dollars)</i>						
	Governmental		Business-type		Total	
	2018	2017	2018	2017	2018	2017
<b>Revenues:</b>						
Program revenues:						
Charges for service	\$ 10,780	\$ 9,414	\$ 24,244	\$ 22,960	\$ 35,024	\$ 32,374
Operating grants and contributions	10,796	10,241	255	262	11,051	10,503
Capital grants and contributions	10,240	9,268	5,467	5,208	15,707	14,476
General revenues:						
Property taxes	35,375	33,824	-	-	35,375	33,824
Franchise fees	2,297	2,211	-	-	2,297	2,211
Investment earnings	1,889	1,472	655	598	2,544	2,070
Gain on sale of capital assets	122	111	-	-	122	111
Other	868	1,197	-	-	868	1,197
Total revenues	<u>72,367</u>	<u>67,738</u>	<u>30,621</u>	<u>29,028</u>	<u>102,988</u>	<u>96,766</u>
<b>Expenses:</b>						
General government	6,916	6,596	-	-	6,916	6,596
Economic development	882	2,178	-	-	882	2,178
Parks and recreation	9,630	9,206	-	-	9,630	9,206
Public safety	19,495	19,476	-	-	19,495	19,476
Public service	5,431	5,147	-	-	5,431	5,147
Public works	15,345	16,642	-	-	15,345	16,642
Water sewer utility	-	-	16,217	15,622	16,217	15,622
Ice center	-	-	1,974	1,901	1,974	1,901
Water resources	-	-	2,661	2,303	2,661	2,303
Solid waste management	-	-	1,089	1,087	1,089	1,087
Field house	-	-	312	287	312	287
Interest on long-term debt	234	272	-	-	234	272
Total expenses	<u>57,933</u>	<u>59,517</u>	<u>22,253</u>	<u>21,200</u>	<u>80,186</u>	<u>80,717</u>
Change in Net Position Before Transfers	14,434	8,221	8,368	7,828	22,802	16,049
Transfers in (out)	1,379	(4,195)	(1,379)	4,195	-	-
Change in Net Position	15,813	4,026	6,989	12,023	22,802	16,049
Net Position at Beginning of Year	312,531	308,505	161,294	149,271	473,825	457,776
Change in accounting principle	(926)	-	-	-	(926)	-
Net Position at End of Year	<u>\$ 327,418</u>	<u>\$ 312,531</u>	<u>\$ 168,283</u>	<u>\$ 161,294</u>	<u>\$ 495,701</u>	<u>\$ 473,825</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. Capital grants and contributions represent funds received for the construction of infrastructure and other capital improvements.

*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 \$138.6 million in 2018; which is approximately 80.4% of total business-type assets.

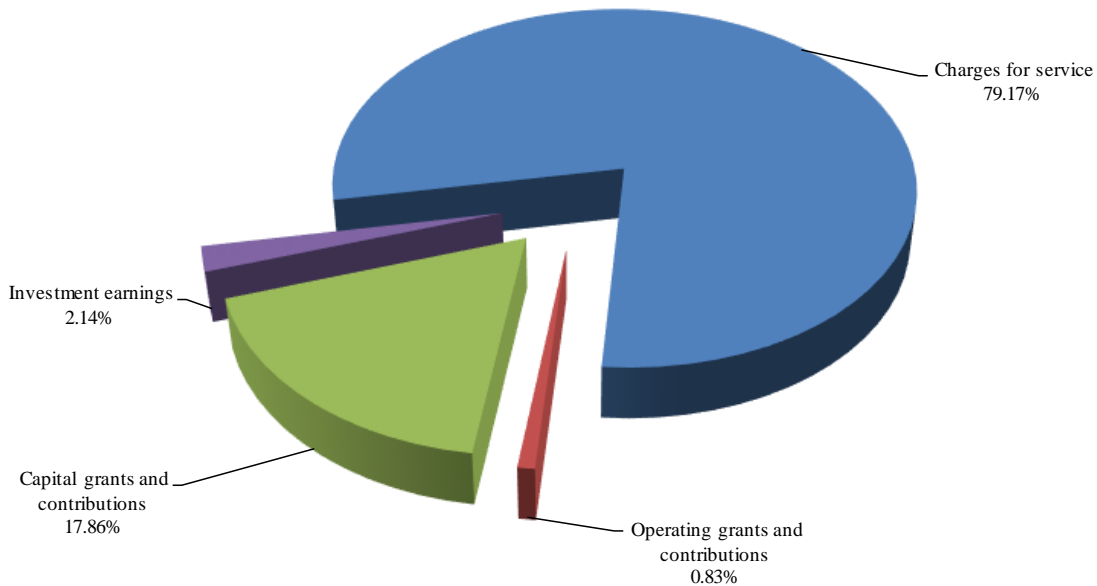
The principal challenge for the City’s business activities is financing the replacement, maintenance, and expansion of their capital assets (asset maintenance). The City of Plymouth combines operating and non-operating sources (primarily area-wide assessments) to finance its investment in business-type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

Operating income starts with revenues generated by charges for sales and service. As of December 31, 2018, there were 23,545 water and/or sewer customers. The water and sewer utility represented approximately 73.9% of total business-type charges for service revenue in 2018. 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 2018, the City reported positive operating income, in total, excluding depreciation, of approximately \$6.9 million. After depreciation, the City reported an operating income of approximately \$1.8 million. After considering remaining increases and decreases to net position, business-type activities reported an increase of \$7.0 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 2018; the fund balance at year-end was \$16.7 million, or 40% of 2019 budgeted expenditures and transfers out.

#### Transit System Fund-

- In the Transit System Fund, the fund balance increased by \$1.1 million. 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 increased in the General Capital Projects Fund by \$580 thousand during the year. This increase is due to approved funding transfers of various capital projects 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 \$975 thousand 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.

Street Replacement Fund-

- The fund balance increased in the Street Replacement Fund by \$1.4 million during the year. This increase is due to taxes and fees collected and the reduction of capital projects completed throughout the current year for construction of streets and other infrastructure improvements.

Of the total governmental funds fund balance of \$77.1 million, \$145 thousand is nonspendable, \$20.0 million is restricted for specific uses based on external regulations, \$40.4 million is assigned internally for specific uses and \$16.5 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 \$10.3 million. The total increase in net position was \$5.0 million.

Ice Center Fund-

- Unrestricted net position at the end of the year was a deficit \$228 thousand. The total decrease in net position was \$191 thousand.

Water Resources Fund-

- Restricted net position at the end of the year was \$3.2 million. The total increase in net position was \$2.0 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 2018 General Fund budget anticipated an expenditure and transfers out increase over 2017 budget of 5.0%. This increase included planned wage and benefit adjustments and inflationary adjustments.

General Fund revenues and other financing sources exceeded budget estimates by \$259 thousand 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 \$1.1 million due to decreases in personal services costs due to attrition and cost restraints shared by all departments. Other financing uses exceeded budget by \$477 thousand. The primary reason for this overage was that the net positive year-end position allowed the General Fund to make unplanned transfers of \$476 thousand 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 \$382.6 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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land	\$ 45,843	\$ 44,550	\$ 3,281	\$ 3,280	\$ 49,124	\$ 47,830
Construction in progress	26,452	18,399	10,275	7,995	36,727	26,394
Buildings	21,464	22,081	26,639	27,933	48,103	50,014
Improvements other than buildings	13,352	13,220	5,077	4,298	18,429	17,518
Machinery and equipment	19,598	17,579	2,617	2,852	22,215	20,431
Infrastructure	117,281	119,477	90,700	86,768	207,981	206,245
Total capital assets	<u>\$ 243,990</u>	<u>\$ 235,306</u>	<u>\$ 138,589</u>	<u>\$ 133,126</u>	<u>\$ 382,579</u>	<u>\$ 368,432</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 \$10.3 million at year-end, compared to \$12.3 million at the beginning of the year. During the year, the City made regular debt service payments of \$1.0 million on governmental activity bonds and \$990 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 2019 budget was conservatively developed to account for economic and legislative activity. It provides for a balanced budget and a sound financial plan for 2019 that maintains core service levels and is sensitive to the financial concerns of Plymouth taxpayers. The tax levy increased 4.9% from 2018.

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](http://www.plymouthmn.gov).



## **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, 2018**

	<b>Primary Government</b>			<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Housing and Redevelopment Authority</b>
<b>ASSETS</b>				
Cash and investments	\$ 119,036,037	\$ 26,659,970	\$ 145,696,007	\$ 5,236,017
Accounts receivable	1,016,771	5,012,256	6,029,027	9,071
Notes receivable	1,981,925	-	1,981,925	1,076,846
Taxes receivable	397,479	-	397,479	5,796
Special assessments receivable	55,036	4,312,031	4,367,067	-
Accrued interest receivable	767,892	140,134	908,026	135,915
Due from City	-	-	-	80,000
Due from other governments	1,994,578	16,045	2,010,623	13,018
Internal balances	3,094,647	(3,094,647)	-	-
Inventory	114,387	69,916	184,303	-
Prepaid items	558,105	596,895	1,155,000	34,179
Net pension asset - fire relief	3,742,289	-	3,742,289	-
Capital assets - nondepreciable	72,295,187	13,555,905	85,851,092	1,333,840
Capital assets - depreciable (net):	171,694,664	125,033,589	296,728,253	8,716,503
Total capital assets	<u>243,989,851</u>	<u>138,589,494</u>	<u>382,579,345</u>	<u>10,050,343</u>
Total assets	<u>376,748,997</u>	<u>172,302,094</u>	<u>549,051,091</u>	<u>16,641,185</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
OPEB deferments	120,318	-	120,318	-
Pension plan deferments - PERA	13,839,702	-	13,839,702	-
Pension plan deferments - fire relief	441,690	-	441,690	-
Total deferred outflows of resources	<u>14,401,710</u>	<u>-</u>	<u>14,401,710</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 391,150,707</u>	<u>\$ 172,302,094</u>	<u>\$ 563,452,801</u>	<u>\$ 16,641,185</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,069,848	\$ 820,637	\$ 2,890,485	\$ 44,102
Contracts payable	2,158,055	453,128	2,611,183	-
Accrued salaries and benefits payable	1,211,977	146,864	1,358,841	25,199
Deposits payable	3,949,145	-	3,949,145	134,991
Due to component unit	80,000	-	80,000	-
Due to other governments	73,347	237,820	311,167	98,801
Unearned revenue	817,624	1,155,169	1,972,793	16
Accrued interest payable	111,669	12,563	124,232	108,851
Noncurrent liabilities:				
Due within one year	3,095,895	1,005,000	4,100,895	736,289
Due in more than one year	31,658,153	188,240	31,846,393	9,755,073
Total liabilities	<u>45,225,713</u>	<u>4,019,421</u>	<u>49,245,134</u>	<u>10,903,322</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension plan deferments - PERA	18,130,623	-	18,130,623	-
Pension plan deferments - fire relief	375,870	-	375,870	-
Total deferred inflows of resources	<u>18,506,493</u>	<u>-</u>	<u>18,506,493</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	234,394,816	137,396,254	371,791,070	(434,730)
Restricted for:				
Transit	9,282,890	-	9,282,890	-
Debt Service	2,181,679	-	2,181,679	563,709
Housing Projects	944,844	-	944,844	3,560,774
Highway/Street Improvements	20,377	-	20,377	-
Park Construction	5,715,724	-	5,715,724	-
Tax Increment	3,512,893	-	3,512,893	-
Cemetery perpetual care:				
Non-expendable	45,860	-	45,860	-
Expendable	151,493	-	151,493	-
Utility trunk	-	17,411,895	17,411,895	-
Water resources	-	3,213,226	3,213,226	-
Fire relief pensions	3,808,109	-	3,808,109	-
Unrestricted	67,359,816	10,261,298	77,621,114	2,048,110
Total net position	<u>327,418,501</u>	<u>168,282,673</u>	<u>495,701,174</u>	<u>5,737,863</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$ 391,150,707</u>	<u>\$ 172,302,094</u>	<u>\$ 563,452,801</u>	<u>\$ 16,641,185</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, 2018**

<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>
<b>PRIMARY GOVERNMENT:</b>				
Governmental activities:				
General government	\$ 6,916,412	\$ 1,563,954	\$ 137,723	\$ -
Economic development	882,157	-	82,986	-
Parks and recreation	9,630,368	2,081,016	49,276	3,407,925
Public safety	19,494,540	4,427,574	2,626,313	-
Public service	5,430,779	1,154,709	5,129,564	42,785
Public works	15,344,862	1,553,128	2,769,518	6,789,164
Interest on long-term debt	233,652	-	-	-
Total governmental activities	<u>57,932,770</u>	<u>10,780,381</u>	<u>10,795,380</u>	<u>10,239,874</u>
Business-type activities:				
Water sewer utility	16,217,289	17,914,520	35,290	3,593,273
Ice center	1,974,075	1,647,925	37,174	85,976
Water resources	2,660,495	3,505,573	3,346	1,787,795
Solid waste management	1,089,439	757,454	178,504	-
Field house	312,078	418,670	436	-
Total business-type activities	<u>22,253,376</u>	<u>24,244,142</u>	<u>254,750</u>	<u>5,467,044</u>
Total primary government	<u>\$ 80,186,146</u>	<u>\$ 35,024,523</u>	<u>\$ 11,050,130</u>	<u>\$ 15,706,918</u>
<b>COMPONENT UNIT:</b>				
Housing and Redevelopment Authority	<u>\$ 5,326,185</u>	<u>\$ 1,979,791</u>	<u>\$ 2,918,836</u>	<u>\$ 80,000</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

CHANGE IN ACCOUNTING PRINCIPLE

NET POSITION - ENDING

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

<b>Net (Expense) Revenue and Changes in Net Position</b>			
<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Housing and Redevelopment Authority</b>
\$ (5,214,735)	\$ -	\$ (5,214,735)	\$ -
(799,171)	-	(799,171)	-
(4,092,151)	-	(4,092,151)	-
(12,440,653)	-	(12,440,653)	-
896,279	-	896,279	-
(4,233,052)	-	(4,233,052)	-
(233,652)	-	(233,652)	-
<u>(26,117,135)</u>	<u>-</u>	<u>(26,117,135)</u>	<u>-</u>
-	5,325,794	5,325,794	-
-	(203,000)	(203,000)	-
-	2,636,219	2,636,219	-
-	(153,481)	(153,481)	-
-	107,028	107,028	-
-	7,712,560	7,712,560	-
<u>(26,117,135)</u>	<u>7,712,560</u>	<u>(18,404,575)</u>	<u>-</u>
			<u>(347,558)</u>
35,374,852	-	35,374,852	569,412
2,297,295	-	2,297,295	-
1,889,174	655,024	2,544,198	73,000
121,826	-	121,826	-
867,963	-	867,963	82,183
1,379,263	(1,379,263)	-	-
<u>41,930,373</u>	<u>(724,239)</u>	<u>41,206,134</u>	<u>724,595</u>
15,813,238	6,988,321	22,801,559	377,037
312,531,296	161,294,352	473,825,648	5,360,826
<u>(926,033)</u>	<u>-</u>	<u>(926,033)</u>	<u>-</u>
<u>\$ 327,418,501</u>	<u>\$ 168,282,673</u>	<u>\$ 495,701,174</u>	<u>\$ 5,737,863</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.

Street 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.



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**CITY OF PLYMOUTH, MINNESOTA**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**DECEMBER 31, 2018**  
(with comparative totals for December 31, 2017)

	Special Revenue		Capital Project		
	General	Transit System	General Capital Projects	Improvement Projects	Street Replacement
<b>ASSETS</b>					
Cash and investments	\$ 20,406,006	\$ 9,056,172	\$ 7,199,678	\$ 4,500,571	\$ 16,994,179
Accounts receivable	377,892	-	-	-	607,655
Notes receivable	-	-	-	-	-
Taxes receivable	285,278	-	-	-	24,070
Special assessments receivable	22,102	-	-	-	2,576
Accrued interest receivable	110,082	47,642	35,440	23,836	89,325
Due from other funds	13,678	-	-	-	-
Due from other governments	330,380	657,306	-	955,129	-
Inventory	20	-	-	-	-
Prepaid items	96,656	-	315	-	-
Advances to other funds	-	-	501,960	-	-
<b>TOTAL ASSETS</b>	<b>\$ 21,642,094</b>	<b>\$ 9,761,120</b>	<b>\$ 7,737,393</b>	<b>\$ 5,479,536</b>	<b>\$ 17,717,805</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 485,068	\$ 369,307	\$ 102,106	\$ 43,843	\$ 125
Contracts payable	4,018	103,020	291,437	1,759,580	-
Accrued salaries and benefits payable	1,106,969	5,744	-	-	-
Deposits payable	2,624,002	-	1,325,143	-	-
Due to other funds	5,659	159	-	-	-
Due to component unit	-	-	-	-	-
Due to other governments	56,370	-	-	1,174	-
Advances from other funds	-	-	-	-	-
Unearned revenue	493,217	-	-	-	-
Total liabilities	4,775,303	478,230	1,718,686	1,804,597	125
Deferred inflows of resources:					
Unavailable revenue	180,369	119,346	-	955,129	12,588
Fund balances:					
Nonspendable	96,676	-	315	-	-
Restricted	-	9,163,544	-	-	-
Assigned	80,422	-	6,018,392	2,719,810	17,705,092
Unassigned	16,509,324	-	-	-	-
Total fund balances	16,686,422	9,163,544	6,018,707	2,719,810	17,705,092
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 21,642,094</b>	<b>\$ 9,761,120</b>	<b>\$ 7,737,393</b>	<b>\$ 5,479,536</b>	<b>\$ 17,717,805</b>

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

Nonmajor Governmental Funds	Totals	
	2018	2017
\$ 24,920,485	\$ 83,077,091	\$ 78,652,032
23,086	1,008,633	936,985
1,981,925	1,981,925	2,100,182
88,131	397,479	360,354
30,358	55,036	63,604
272,977	579,302	454,192
-	13,678	13,738
41,291	1,984,106	603,190
1,226	1,246	1,639
865	97,836	75,952
1,342,819	1,844,779	2,444,017
<u>\$ 28,703,163</u>	<u>\$ 91,041,111</u>	<u>\$ 85,705,885</u>

\$ 303,988	\$ 1,304,437	\$ 1,218,687
-	2,158,055	1,761,566
41,775	1,154,488	908,989
-	3,949,145	3,898,174
13,678	19,496	19,428
80,000	80,000	80,000
15,643	73,187	65,602
962,737	962,737	1,283,019
324,407	817,624	833,330
<u>1,742,228</u>	<u>10,519,169</u>	<u>10,068,795</u>

<u>2,189,924</u>	<u>3,457,356</u>	<u>2,498,382</u>
------------------	------------------	------------------

47,951	144,942	123,451
10,883,989	20,047,533	17,821,796
13,839,071	40,362,787	39,483,495
-	16,509,324	15,709,966
<u>24,771,011</u>	<u>77,064,586</u>	<u>73,138,708</u>

<u>\$ 28,703,163</u>	<u>\$ 91,041,111</u>	<u>\$ 85,705,885</u>
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**CITY OF PLYMOUTH, MINNESOTA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

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FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 77,064,586

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 and, therefore, are not reported in the fund statements.  |                      |                  |
| Capital assets  | 477,713,252          |                  |
| Accumulated depreciation  | <u>(248,231,221)</u> | 229,482,031      |
| 2. Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements.   |                      |                  |
| Bonds payable   | (9,320,000)          |                  |
| Premium / discount on bonds   | (275,035)            |                  |
| Accrued interest payable  | <u>(111,669)</u>     | (9,706,704)      |
| 3. Unavailable revenue in governmental funds is susceptible to full accrual on government-wide statements.  |                      | 3,457,356        |
| 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, deferred outflows/inflows, and liabilities (including capital assets) of the internal services funds are included in governmental activities in the statement of net position. |                      | 21,092,683       |
| 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.  |                      | 2,220,440        |
| 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>3,808,109</u> |

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 327,418,501

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, 2018**  
(with comparative actual amounts for year ended December 31, 2017)

	Special Revenue		Capital Project		
	General	Transit System	General Capital Projects	Improvement Projects	Street Replacement
<b>REVENUES:</b>					
Property taxes	\$ 27,836,128	\$ -	\$ -	\$ -	\$ 2,556,884
Special assessments	19,856	-	-	-	-
Licenses and permits	4,441,208	-	-	-	141,960
Intergovernmental	2,926,320	4,874,148	7,500	17,942	27
Charges for services	3,189,093	1,154,709	-	-	-
Franchise fees	-	-	-	-	2,297,295
Fines and forfeitures	520,206	-	-	-	-
Contributions	88,875	-	44,818	-	-
Investment earnings	264,307	136,192	101,583	51,702	300,872
Loan repayments	-	-	-	-	-
Other revenues	255,558	9,279	83,653	216,515	240,144
Total revenues	<u>39,541,551</u>	<u>6,174,328</u>	<u>237,554</u>	<u>286,159</u>	<u>5,537,182</u>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
General government	6,499,056	-	204,070	-	-
Economic development	181,094	-	-	-	-
Parks and recreation	6,218,175	-	57,965	-	-
Public safety	20,096,377	-	-	-	-
Public service	-	5,004,879	-	-	-
Public works	5,178,743	-	-	843,822	3,196
Interest on interfund advances	-	-	-	-	-
<b>Debt service:</b>					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	201,504	25,080	4,899,109	11,504,905	-
Total expenditures	<u>38,374,949</u>	<u>5,029,959</u>	<u>5,161,144</u>	<u>12,348,727</u>	<u>3,196</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,166,602</u>	<u>1,144,369</u>	<u>(4,923,590)</u>	<u>(12,062,568)</u>	<u>5,533,986</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	310,927	-	5,540,675	11,609,755	257,608
Transfers out	(626,917)	-	(36,594)	(522,575)	(4,429,856)
Total other financing sources (uses)	<u>(315,990)</u>	<u>-</u>	<u>5,504,081</u>	<u>11,087,180</u>	<u>(4,172,248)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<b>850,612</b>	<b>1,144,369</b>	<b>580,491</b>	<b>(975,388)</b>	<b>1,361,738</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>15,835,810</u>	<u>8,019,175</u>	<u>5,438,216</u>	<u>3,695,198</u>	<u>16,343,354</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u><u>\$ 16,686,422</u></u>	<u><u>\$ 9,163,544</u></u>	<u><u>\$ 6,018,707</u></u>	<u><u>\$ 2,719,810</u></u>	<u><u>\$ 17,705,092</u></u>

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

Nonmajor Governmental Funds	Totals	
	2018	2017
\$ 4,965,517	\$ 35,358,529	\$ 33,974,313
8,139	27,995	31,328
-	4,583,168	4,982,052
2,963,483	10,789,420	11,771,946
1,456,822	5,800,624	5,263,015
-	2,297,295	2,211,261
-	520,206	538,828
2,468,988	2,602,681	2,364,969
434,935	1,289,591	996,928
8,573	8,573	8,319
25,351	830,500	1,180,712
<u>12,331,808</u>	<u>64,108,582</u>	<u>63,323,671</u>
1,362	6,704,488	6,390,969
721,564	902,658	2,161,257
1,957,837	8,233,977	7,737,133
-	20,096,377	18,941,576
313,413	5,318,292	5,016,200
31,097	6,056,858	8,308,754
43,520	43,520	53,818
1,000,000	1,000,000	2,595,000
287,667	287,667	348,192
-	16,630,598	12,019,727
<u>4,356,460</u>	<u>65,274,435</u>	<u>63,572,626</u>
<u>7,975,348</u>	<u>(1,165,853)</u>	<u>(248,955)</u>
82,188	17,801,153	25,584,760
<u>(7,093,480)</u>	<u>(12,709,422)</u>	<u>(22,258,267)</u>
<u>(7,011,292)</u>	<u>5,091,731</u>	<u>3,326,493</u>
964,056	3,925,878	3,077,538
<u>23,806,955</u>	<u>73,138,708</u>	<u>70,061,170</u>
<u>\$ 24,771,011</u>	<u>\$ 77,064,586</u>	<u>\$ 73,138,708</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, 2018**

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NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 3,925,878

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	\$ 16,879,287	
Assets contributed by internal service funds	33,217	
Assets contributed to internal service funds	(988,025)	
Assets of governmental activities reassigned to proprietary funds	(1,388,323)	
Depreciation expense	(12,131,070)	2,405,086
  
2. The net effect of various transactions involving capital assets (i.e. sales and dispositions) is to decrease net position. (6,684)
  
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. 890,409
  
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		1,000,000
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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	12,146	
Amortization of bond premiums and discounts	41,869	54,015
  
6. Capital assets contributed to the City by developers are not current financial resources, therefore are not reported in the governmental funds statements. 4,170,844
  
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. 48,565
  
7. Governmental funds report outlays of business assistance 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. 20,000
  
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. 3,045,354
  
9. The net effect of transactions involving the fire relief pension plan increased net position, but are not reported in the governmental funds. 259,771

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 15,813,238

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, 2018  
(with comparative actual amounts for year ended December 31, 2017)**

	2018		2017	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
REVENUES:				
Property Taxes	\$ 28,113,058	\$ 27,836,128	\$ (276,930)	\$ 26,543,658
Special assessments	11,500	19,856	8,356	19,960
Licenses and permits	4,042,460	4,441,208	398,748	4,821,527
Intergovernmental	2,624,138	2,926,320	302,182	2,725,138
Charges for services	3,470,970	3,189,093	(281,877)	2,937,238
Fines and forfeitures	613,000	520,206	(92,794)	538,828
Contributions	81,600	88,875	7,275	93,736
Investment earnings	240,000	264,307	24,307	167,650
Other revenues	143,300	255,558	112,258	433,286
Total revenues	<u>39,340,026</u>	<u>39,541,551</u>	<u>201,525</u>	<u>38,281,021</u>
EXPENDITURES:				
Current:				
General government	6,544,414	6,499,056	45,358	6,162,737
Economic development	265,541	181,094	84,447	187,110
Parks and recreation	6,313,198	6,218,175	95,023	5,852,580
Public safety	20,252,532	20,096,377	156,155	18,925,718
Public works	5,862,841	5,178,743	684,098	4,783,693
Capital outlay	205,000	201,504	3,496	16,100
Total expenditures	<u>39,443,526</u>	<u>38,374,949</u>	<u>1,068,577</u>	<u>35,927,938</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(103,500)</u>	<u>1,166,602</u>	<u>1,270,102</u>	<u>2,353,083</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	253,000	310,927	57,927	299,907
Transfers out	<u>(149,500)</u>	<u>(626,917)</u>	<u>(477,417)</u>	<u>(1,893,961)</u>
Total other financing sources (uses)	<u>103,500</u>	<u>(315,990)</u>	<u>(419,490)</u>	<u>(1,594,054)</u>
NET CHANGE IN FUND BALANCE	-	850,612	850,612	759,029
FUND BALANCE AT BEGINNING OF YEAR	<u>15,835,810</u>	<u>15,835,810</u>	-	<u>15,076,781</u>
FUND BALANCE AT END OF YEAR	<u>\$ 15,835,810</u>	<u>\$ 16,686,422</u>	<u>\$ 850,612</u>	<u>\$ 15,835,810</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, 2018**  
(with comparative actual amounts for year ended December 31, 2017)

	2018		Variance with Final Budget	2017
	Original and Final Budget	Actual		Actual
REVENUES:				
Intergovernmental	\$ 4,051,404	\$ 4,874,148	\$ 822,744	\$ 4,331,498
Charges for services	1,141,000	1,154,709	13,709	1,054,673
Investment earnings	45,000	136,192	91,192	107,010
Other revenues	-	9,279	9,279	3,388
Total revenues	<u>5,237,404</u>	<u>6,174,328</u>	<u>936,924</u>	<u>5,496,569</u>
EXPENDITURES:				
Current:				
Public service:				
Personal services	140,332	132,517	7,815	132,006
Materials and supplies	474,000	618,164	(144,164)	434,189
Contractual services	4,562,448	4,252,962	309,486	4,131,636
Other	550	1,236	(686)	1,593
Capital outlay	-	25,080	(25,080)	-
Total expenditures	<u>5,177,330</u>	<u>5,029,959</u>	<u>147,371</u>	<u>4,699,424</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>60,074</u>	<u>1,144,369</u>	<u>1,084,295</u>	<u>797,145</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(60,074)</u>	<u>-</u>	<u>60,074</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	1,144,369	1,144,369	797,145
FUND BALANCE AT BEGINNING OF YEAR	<u>8,019,175</u>	<u>8,019,175</u>	<u>-</u>	<u>7,222,030</u>
FUND BALANCE AT END OF YEAR	<u>\$ 8,019,175</u>	<u>\$ 9,163,544</u>	<u>\$ 1,144,369</u>	<u>\$ 8,019,175</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, 2018**  
(with comparative totals for December 31, 2017)

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Water Sewer Utility</b>	<b>Ice Center</b>	<b>Water Resources</b>	<b>Nonmajor Funds</b>
<b><u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u></b>				
Current assets:				
Cash and investments	\$ 20,611,404	\$ 588,536	\$ 2,983,945	\$ 2,476,085
Accounts receivable	2,947,426	1,032,259	633,066	399,505
Special assessments receivable	994,541	-	22,843	9,109
Accrued interest receivable	108,397	3,053	15,660	13,024
Due from other funds	8,216	-	3,122	8
Due from other governments	10,208	-	-	5,837
Inventory	61,754	8,162	-	-
Prepaid items	548,652	18,158	28,709	1,376
Total current assets	<u>25,290,598</u>	<u>1,650,168</u>	<u>3,687,345</u>	<u>2,904,944</u>
Noncurrent assets:				
Special assessments receivable	3,284,444	-	1,094	-
Capital assets:				
Land	2,074,063	1,158,324	1,000	47,551
Buildings	40,750,666	13,489,775	-	1,306,187
Improvements other than buildings	1,258,327	2,334,255	3,736,093	396,253
Machinery and equipment	13,732,834	1,396,946	238,491	161,990
Infrastructure	117,653,385	36,577	18,464,359	-
Construction in progress	8,727,634	-	1,547,333	-
Total capital assets	<u>184,196,909</u>	<u>18,415,877</u>	<u>23,987,276</u>	<u>1,911,981</u>
Less accumulated depreciation	<u>(77,292,617)</u>	<u>(8,363,417)</u>	<u>(3,074,292)</u>	<u>(1,192,223)</u>
Net capital assets	<u>106,904,292</u>	<u>10,052,460</u>	<u>20,912,984</u>	<u>719,758</u>
Total noncurrent assets	<u>110,188,736</u>	<u>10,052,460</u>	<u>20,914,078</u>	<u>719,758</u>
Total assets	<u>135,479,334</u>	<u>11,702,628</u>	<u>24,601,423</u>	<u>3,624,702</u>
Deferred outflows of resources:				
OPEB deferments	-	-	-	-
Pension plan deferments - PERA	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b><u>\$ 135,479,334</u></b>	<b><u>\$ 11,702,628</u></b>	<b><u>\$ 24,601,423</u></b>	<b><u>\$ 3,624,702</u></b>

(Continued...)

				<b>Governmental Activities - Internal Service Funds</b>	
<b>Totals</b>		<b>Totals</b>			
<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>		
\$ 26,659,970	\$ 27,062,619	\$ 35,958,946	\$ 35,335,518		
5,012,256	3,869,484	8,138	-		
1,026,493	1,210,639	-	-		
140,134	108,882	188,590	142,011		
11,346	11,178	-	-		
16,045	100,768	10,472	23,080		
69,916	42,487	113,141	113,831		
596,895	45,522	460,269	354,335		
<u>33,533,055</u>	<u>32,451,579</u>	<u>36,739,556</u>	<u>35,968,775</u>		
3,285,538	3,274,089	-	-		
3,280,938	3,279,938	33,520	33,520		
55,546,628	55,364,845	1,163,233	813,526		
7,724,928	6,682,144	1,202,168	1,176,322		
15,530,261	15,385,566	25,538,629	23,587,726		
136,154,321	129,323,591	172,787	147,638		
10,274,967	7,995,413	458,498	34,183		
228,512,043	218,031,497	28,568,835	25,792,915		
(89,922,549)	(84,904,950)	(14,061,015)	(13,399,879)		
<u>138,589,494</u>	<u>133,126,547</u>	<u>14,507,820</u>	<u>12,393,036</u>		
<u>141,875,032</u>	<u>136,400,636</u>	<u>14,507,820</u>	<u>12,393,036</u>		
175,408,087	168,852,215	51,247,376	48,361,811		
-	-	120,318	-		
-	-	13,839,702	17,781,683		
-	-	13,960,020	17,781,683		
<u>\$ 175,408,087</u>	<u>\$ 168,852,215</u>	<u>\$ 65,207,396</u>	<u>\$ 66,143,494</u>		

**CITY OF PLYMOUTH, MINNESOTA  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 DECEMBER 31, 2018  
 (with comparative totals for December 31, 2017)**

(Continued from previous page)

	<b>Business-type Activities - Enterprise Funds</b>			
	<u>Water Sewer Utility</u>	<u>Ice Center</u>	<u>Water Resources</u>	<u>Nonmajor Funds</u>
<b><u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u></b>				
Current liabilities:				
Accounts payable	\$ 523,220	\$ 69,641	\$ 129,332	\$ 98,444
Contracts payable	91,343	-	361,785	-
Accrued salaries and benefits payable	85,429	27,399	26,167	7,869
Compensated absences payable	-	-	-	-
Due to other funds	456	3,055	-	-
Due to other governments	229,778	7,501	-	541
Unearned revenue	32,081	888,781	-	234,307
Accrued interest payable	12,563	-	-	-
Advances from other funds	-	285,354	-	-
Revenue bonds payable	1,005,000	-	-	-
Total current liabilities	<u>1,979,870</u>	<u>1,281,731</u>	<u>517,284</u>	<u>341,161</u>
Noncurrent liabilities:				
Total OPEB liability	-	-	-	-
Net pension liability	-	-	-	-
Compensated absences payable	-	-	-	-
Advances from other funds	-	596,688	-	-
Revenue bonds payable (net of unamortized premiums/discounts)	188,240	-	-	-
Total noncurrent liabilities	<u>188,240</u>	<u>596,688</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>2,168,110</u>	<u>1,878,419</u>	<u>517,284</u>	<u>341,161</u>
Deferred inflows of resources:				
Pension plan deferments - PERA	-	-	-	-
<b><u>NET POSITION</u></b>				
Net investment in capital assets	105,711,052	10,052,460	20,912,984	719,758
Restricted for:				
Utility trunk	17,312,271	-	-	-
Water resources	-	-	3,171,155	-
Unrestricted	10,287,901	(228,251)	-	2,563,783
Total net position	<u>133,311,224</u>	<u>9,824,209</u>	<u>24,084,139</u>	<u>3,283,541</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u>\$ 135,479,334</u>	<u>\$ 11,702,628</u>	<u>\$ 24,601,423</u>	<u>\$ 3,624,702</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.

				<b>Governmental Activities - Internal Service Funds</b>			
<b>Totals</b>				<b>Totals</b>			
<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
\$ 820,637	\$ 502,134	\$ 765,411	\$ 850,445				
453,128	273,463	-	29,876				
146,864	132,824	57,489	49,658				
-	-	2,045,895	1,903,535				
3,511	3,815	2,017	1,673				
237,820	302,086	160	435				
1,155,169	552,164	-	-				
12,563	24,938	-	-				
285,354	278,956	-	-				
1,005,000	990,000	-	-				
<u>4,120,046</u>	<u>3,060,380</u>	<u>2,870,972</u>	<u>2,835,622</u>				
-	-	3,119,544	1,928,252				
-	-	19,250,764	22,655,871				
-	-	742,810	800,424				
596,688	882,042	-	-				
188,240	1,224,184	-	-				
<u>784,928</u>	<u>2,106,226</u>	<u>23,113,118</u>	<u>25,384,547</u>				
<u>4,904,974</u>	<u>5,166,606</u>	<u>25,984,090</u>	<u>28,220,169</u>				
-	-	18,130,623	19,120,780				
137,396,254	130,912,363	14,507,820	12,393,036				
17,312,271	18,041,434	-	-				
3,171,155	3,962,632	-	-				
12,623,433	10,769,180	6,584,863	6,409,509				
<u>170,503,113</u>	<u>163,685,609</u>	<u>21,092,683</u>	<u>18,802,545</u>				
<u>\$ 175,408,087</u>	<u>\$ 168,852,215</u>	<u>\$ 65,207,396</u>	<u>\$ 66,143,494</u>				
\$ 170,503,113	\$ 163,685,609						
(2,220,440)	(2,391,257)						
<u>\$ 168,282,673</u>	<u>\$ 161,294,352</u>						



**CITY OF PLYMOUTH, MINNESOTA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED DECEMBER 31, 2018**  
**(with comparative totals for year ended December 31, 2017)**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Water Sewer Utility</b>	<b>Ice Center</b>	<b>Water Resources</b>	<b>Nonmajor Funds</b>
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 17,864,503	\$ 1,612,292	\$ 3,476,550	\$ 1,160,039
Other fees	39,369	-	35,614	20,369
Total operating revenue	<u>17,903,872</u>	<u>1,612,292</u>	<u>3,512,164</u>	<u>1,180,408</u>
<b>OPERATING EXPENSES:</b>				
Personal services	2,030,697	621,844	701,758	211,544
Materials and supplies	737,942	109,590	148,812	7,235
Insurance claims	-	-	-	-
Contractual services	9,714,235	710,332	1,239,313	1,114,959
Depreciation	3,839,353	520,674	614,024	69,428
Total operating expenses	<u>16,322,227</u>	<u>1,962,440</u>	<u>2,703,907</u>	<u>1,403,166</u>
<b>OPERATING INCOME (LOSS)</b>	<u>1,581,645</u>	<u>(350,148)</u>	<u>808,257</u>	<u>(222,758)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment earnings	520,829	19,947	71,032	43,216
Intergovernmental	25,520	-	569,567	178,141
Gain (loss) on disposal of capital assets	3,080	-	-	-
Contributions	-	34,652	-	-
Contributions to governmental activities	-	-	-	-
Other	10,648	35,633	(6,591)	(4,284)
Interest expense	(1,681)	(17,415)	-	-
Total nonoperating revenues (expenses)	<u>558,396</u>	<u>72,817</u>	<u>634,008</u>	<u>217,073</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	2,140,041	(277,331)	1,442,265	(5,685)
<b>CAPITAL CONTRIBUTIONS</b>	6,093,132	224,947	1,801,816	-
<b>TRANSFERS IN</b>	372,142	-	366,432	23,004
<b>TRANSFERS OUT</b>	<u>(3,561,031)</u>	<u>(138,971)</u>	<u>(1,631,162)</u>	<u>(32,095)</u>
<b>CHANGES IN NET POSITION</b>	5,044,284	(191,355)	1,979,351	(14,776)
<b>NET POSITION AT BEGINNING OF YEAR</b>	128,266,940	10,015,564	22,104,788	3,298,317
<b>CHANGE IN ACCOUNTING PRINCIPLE</b>	-	-	-	-
<b>NET POSITION AT END OF YEAR</b>	<u>\$ 133,311,224</u>	<u>\$ 9,824,209</u>	<u>\$ 24,084,139</u>	<u>\$ 3,283,541</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.

				<b>Governmental Activities - Internal Service Funds</b>			
<b>Totals</b>				<b>Totals</b>			
<b>2018</b>	<b>2017</b>			<b>2018</b>	<b>2017</b>		
\$ 24,113,384	\$ 22,735,757	\$		12,682,363	\$		11,950,624
95,352	180,872			126,837			120,809
<u>24,208,736</u>	<u>22,916,629</u>			<u>12,809,200</u>			<u>12,071,433</u>
3,565,843	3,425,587			4,911,771			7,083,816
1,003,579	916,101			1,092,307			1,430,818
-	-			260,017			653,097
12,778,839	12,050,284			2,960,576			2,006,469
5,043,479	4,792,019			1,879,701			1,746,223
<u>22,391,740</u>	<u>21,183,991</u>			<u>11,104,372</u>			<u>12,920,423</u>
<u>1,816,996</u>	<u>1,732,638</u>			<u>1,704,828</u>			<u>(848,990)</u>
655,024	598,291			634,523			520,342
773,228	247,872			16,029			46,424
3,080	(35,319)			121,826			111,262
34,652	12,957			236,747			142,085
-	-			(33,217)			(146,985)
35,406	42,895			37,460			16,321
(19,096)	(52,825)			-			-
<u>1,482,294</u>	<u>813,871</u>			<u>1,013,368</u>			<u>689,449</u>
3,299,290	2,546,509			2,718,196			(159,541)
8,119,895	13,061,201			988,025			447,964
761,578	30,699			495,189			510,565
<u>(5,363,259)</u>	<u>(3,688,198)</u>			<u>(985,239)</u>			<u>(179,559)</u>
6,817,504	11,950,211			3,216,171			619,429
163,685,609	151,735,398			18,802,545			18,183,116
-	-			(926,033)			-
<u>\$ 170,503,113</u>	<u>\$ 163,685,609</u>			<u>\$ 21,092,683</u>			<u>\$ 18,802,545</u>
\$ 6,817,504	\$ 11,950,211						
170,817	72,940						
<u>\$ 6,988,321</u>	<u>\$ 12,023,151</u>						

**CITY OF PLYMOUTH, MINNESOTA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2018**  
(with comparative totals for year ended December 31, 2017)

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Water Sewer Utility</b>	<b>Ice Center</b>	<b>Water Resources</b>	<b>Nonmajor Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers or users	\$ 17,593,637	\$ 1,552,010	\$ 3,462,956	\$ 1,145,344
Payments to suppliers	(10,845,454)	(804,116)	(1,345,130)	(1,112,590)
Payments to employees	(2,014,911)	(620,919)	(703,167)	(212,806)
Other operating revenue (expense)	10,648	35,633	(6,591)	(4,284)
Net cash flows from operating activities	<u>4,743,920</u>	<u>162,608</u>	<u>1,408,068</u>	<u>(184,336)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Intergovernmental revenues	25,520	-	569,567	178,141
Contributions	-	34,652	-	-
Transfers in from other funds	372,142	-	366,432	23,004
Transfers out to other funds	(3,561,031)	(138,971)	(1,631,162)	(32,095)
Net cash flows from noncapital financing activities	<u>(3,163,369)</u>	<u>(104,319)</u>	<u>(695,163)</u>	<u>169,050</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition and construction of capital assets	(3,484,696)	(42,984)	(1,274,747)	-
Contributions	-	85,976	-	-
Special assessments for future construction	2,681,861	-	-	-
Proceeds from sale of capital assets	3,080	-	-	-
Principal paid on capital debt	(990,000)	-	-	-
Payment on advances from other funds	-	(278,956)	-	-
Interest paid on capital debt	(45,000)	(17,415)	-	-
Net cash flows from capital and related financing activities	<u>(1,834,755)</u>	<u>(253,379)</u>	<u>(1,274,747)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment earnings	<u>494,506</u>	<u>19,919</u>	<u>69,294</u>	<u>40,054</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>240,302</b>	<b>(175,171)</b>	<b>(492,548)</b>	<b>24,768</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u><b>20,371,102</b></u>	<u><b>763,707</b></u>	<u><b>3,476,493</b></u>	<u><b>2,451,317</b></u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u><b>\$ 20,611,404</b></u></u>	<u><u><b>\$ 588,536</b></u></u>	<u><u><b>\$ 2,983,945</b></u></u>	<u><u><b>\$ 2,476,085</b></u></u>

(Continued...)

				<b>Governmental Activities - Internal Service Funds</b>			
<b>Totals</b>				<b>Totals</b>			
<b>2018</b>	<b>2017</b>			<b>2018</b>	<b>2017</b>		
\$ 23,753,947	\$ 22,804,693	\$		12,816,344	\$		12,064,815
(14,107,290)	(12,561,682)			(4,503,109)			(3,836,974)
(3,551,803)	(3,425,811)			(5,130,210)			(5,093,116)
35,406	42,895			37,460			16,321
<u>6,130,260</u>	<u>6,860,095</u>			<u>3,220,485</u>			<u>3,151,046</u>
773,228	247,872			16,029			46,424
34,652	12,957			236,747			142,085
761,578	30,699			495,189			510,565
<u>(5,363,259)</u>	<u>(3,688,198)</u>			<u>(985,239)</u>			<u>(179,559)</u>
<u>(3,793,801)</u>	<u>(3,396,670)</u>			<u>(237,274)</u>			<u>519,515</u>
(4,802,427)	(4,165,861)			(3,079,071)			(2,179,257)
85,976	-			-			-
2,681,861	2,468,356			-			-
3,080	750			131,344			202,081
(990,000)	(965,000)			-			-
(278,956)	(272,717)			-			-
<u>(62,415)</u>	<u>(95,831)</u>			<u>-</u>			<u>-</u>
<u>(3,362,881)</u>	<u>(3,030,303)</u>			<u>(2,947,727)</u>			<u>(1,977,176)</u>
<u>623,773</u>	<u>603,229</u>			<u>587,944</u>			<u>523,512</u>
(402,649)	1,036,351			623,428			2,216,897
<u>27,062,619</u>	<u>26,026,268</u>			<u>35,335,518</u>			<u>33,118,621</u>
<u>\$ 26,659,970</u>	<u>\$ 27,062,619</u>	<u>\$</u>		<u>35,958,946</u>	<u>\$</u>		<u>35,335,518</u>

**CITY OF PLYMOUTH, MINNESOTA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2018**  
**(with comparative totals for year ended December 31, 2017)**

(Continued from previous page)

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Water Sewer Utility</b>	<b>Ice Center</b>	<b>Water Resources</b>	<b>Nonmajor Funds</b>
<b>RECONCILIATION OF OPERATING</b>				
<b>INCOME (LOSS) TO NET CASH FLOWS</b>				
<b>FROM OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 1,581,645	\$ (350,148)	\$ 808,257	\$ (222,758)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	3,839,353	520,674	614,024	69,428
Other revenue (expense)	10,648	35,633	(6,591)	(4,284)
Changes in assets, deferred outflows, liabilities, and deferred inflows:				
Accounts receivable	(171,030)	(875,716)	(48,283)	(47,743)
Special assessments receivable	1,683	-	(703)	(557)
Due from other funds	62	-	(222)	(8)
Due from other governments	84,723	-	-	-
Inventory	(27,186)	(242)	-	-
Prepaid items	(543,536)	(555)	(7,884)	599
Deferred outflows for pension plan deferments	-	-	-	-
Deferred outflows for OPEB plan deferments	-	-	-	-
Accounts payable	247,547	11,038	50,879	9,038
Due to other funds	30	(334)	-	-
Due to other governments	(70,132)	5,899	-	(33)
Accrued salaries payable	15,786	925	(1,409)	(1,262)
Total OPEB liability	-	-	-	-
Net pension liability	-	-	-	-
Compensated absences payable	-	-	-	-
Unearned revenue	(225,673)	815,434	-	13,244
Deferred inflows for pension plan deferments	-	-	-	-
Total adjustments	<u>3,162,275</u>	<u>512,756</u>	<u>599,811</u>	<u>38,422</u>
Net cash flows from operating activities	<u>\$ 4,743,920</u>	<u>\$ 162,608</u>	<u>\$ 1,408,068</u>	<u>\$ (184,336)</u>
<b>NONCASH INVESTING, CAPITAL AND</b>				
<b>FINANCING ACTIVITIES:</b>				
Contributions of capital assets from City funds	665,764	138,971	583,588	-
Contribution of capital asset from others	2,917,781	-	1,218,228	-
(Increase) decrease in special assessment contributions receivable	172,274	-	-	-
Trade-in values on capital asset purchases	-	-	-	-
Transfer of capital assets to other City funds	-	-	-	-
Increase (decrease) in capital assets from accounts and contracts payable	(128,623)	-	308,289	-

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

				<b>Governmental Activities - Internal Service Funds</b>	
<b>Totals</b>		<b>Totals</b>			
<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>		
\$ 1,816,996	\$ 1,732,638	\$ 1,704,828	\$ (848,990)		
5,043,479	4,792,019	1,879,701	1,746,223		
35,406	42,895	37,460	16,321		
(1,142,772)	(279,785)	(8,138)	5,723		
423	(15,647)	-	-		
(168)	(11,178)	-	-		
84,723	(3,821)	12,608	(12,341)		
(27,428)	20,270	690	8,286		
(551,376)	469,368	(105,934)	261,522		
-	-	3,941,981	9,673,752		
-	-	(20,246)	-		
318,502	(40,509)	(85,034)	(16,345)		
(304)	3,815	1,495	1,673		
(64,266)	(48,241)	(1,426)	(1,726)		
14,040	(224)	7,831	875		
-	-	165,187	211,743		
-	-	(3,405,107)	(21,736,584)		
-	-	84,746	(92,680)		
603,005	198,495	-	-		
-	-	(990,157)	13,933,594		
<u>4,313,264</u>	<u>5,127,457</u>	<u>1,515,657</u>	<u>4,000,036</u>		
<u>\$ 6,130,260</u>	<u>\$ 6,860,095</u>	<u>\$ 3,220,485</u>	<u>\$ 3,151,046</u>		

1,388,323	6,796,674	988,025	447,964
4,136,009	4,619,192	-	-
172,274	-	-	-
-	-	9,518	66,882
-	-	(33,217)	(146,985)
179,666	(2,008,721)	(29,876)	29,876

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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.
  - *Street Replacement Fund* – Used to account for accumulation of resources for major infrastructure repair and replacement. The major source of revenue is property taxes.

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 quoted 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 \$1,973,091, interest on notes receivable of \$155,952 and special assessments receivable of \$3,226,817.

**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.

**8. *Deferred Outflows/Inflows of Resources***

In addition to assets and liabilities, the statement of financial position will sometimes report a separate section for deferred outflows or inflows of resources. These separate financial elements represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) or an inflow of resources (revenue) until then.



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

The City reports deferred outflows and inflows of resources related to pensions and other post-employment benefits (OPEB) in the government-wide and enterprise funds Statement of Net Position. These deferred outflows and inflows result from differences between expected and actual economic experience, changes in actuarial assumptions, differences between projected and actual investment earnings, changes in proportion, and 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 and OPEB standards.

Unavailable revenue from property taxes, special assessments, and notes receivables arises under a modified accrual basis of accounting and is reported only in the governmental funds Balance Sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**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.

**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.

The PERA has a special funding situation created by a direct aid contribution made by the state of Minnesota. The direct aid is a result of the merger of the Minneapolis Employees Retirement Fund into the PERA on January 1, 2015.

**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2018**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**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”.

**14. Change in Accounting Principle**

During the year ended December 31, 2018, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. This statement included major changes in how plans and employers account for OPEB benefit obligations. This statement established standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Certain amounts necessary to fully restate fiscal year 2017 financial information are not determinable; therefore, prior year comparative amounts have not been restated. The implementation of this statement in the current year resulted in the restatement of net position as of December 31, 2017. The details of the restatement are as follows:

	Governmental Activities	Business-type Activities	Internal Service Funds
Net Position - beginning, as previously reported	\$ 312,531,296	\$ 161,294,352	\$ 18,802,545
Change in accounting principle			
Other post-employment benefit obligations, previous reporting standards	1,928,252	–	1,928,252
Total OPEB liability, current reporting standards	(2,954,357)	–	(2,954,357)
Deferred outflows of resources, under current reporting standards	100,072	–	100,072
Total	(926,033)	–	(926,033)
Net Position - beginning, as restated	\$ 311,605,263	\$ 161,294,352	\$ 17,876,512

**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 Community Development Block Grant Special Revenue Fund by \$13,595 which were financed with revenues in excess of budget.

The Component Unit also had expenditures exceed appropriations in the General Fund by \$17,403 which were financed with revenues in excess of budget.

**C. DEFICIT FUND EQUITY**

The following funds had a deficit fund equity as of December 31, 2018. 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	(23,929,919)
Component Unit - Vicksburg Crossing	(870,521)

**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	\$ 115,799	\$ 138,086	\$ 253,885
Investments	145,571,367	5,097,931	150,669,298
Cash on hand	8,841	-	8,841
Total	<u>\$ 145,696,007</u>	<u>\$ 5,236,017</u>	<u>\$ 150,932,024</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 \$115,799 while the balance on the bank records was \$116,627. The carrying amount of the component unit’s deposits was \$138,086 while the balance on the bank records was \$138,086. At December 31, 2018, all deposits were fully covered by federal depository insurance or by collateral held by the City’s agent in the City’s name.

**C. INVESTMENTS**

The City is authorized by Minnesota 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.

**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2018**

**Note 3: CASH AND INVESTMENTS – CONTINUED**

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	\$ -	\$ 529,072	\$ 428,066	\$ -	\$ 957,138
GNMA Pass Through Pool	Level 1	-	-	1,095,891	-	1,095,891
US Agency Securities:						
Federal Agriculture						
Mortgage Corporation	Level 2	991,360	2,920,910	-	-	3,912,270
Federal Farm Credit Bank	Level 2	-	12,263,575	3,954,210	-	16,217,785
Federal Home Loan Bank	Level 2	436,575	13,718,130	11,374,615	-	25,529,320
Federal Home Loan						
Mortgage Corporation	Level 2	994,270	7,641,720	999,980	-	9,635,970
Federal National						
Mortgage Association	Level 2	-	6,376,799	2,477,808	-	8,854,607
FNMA Pass Through Pool	Level 2	-	344,513	504,860	1,743,774	2,593,147
Private Export						
Funding Corporation	Level 2	2,006,820	-	-	-	2,006,820
Municipal Bonds	Level 2	5,318,693	26,644,564	15,294,322	-	47,257,579
Negotiable Certificate of Deposit	Level 2	1,962,202	1,219,904	-	-	3,182,106
Banker's Acceptance	Level 2	4,976,637	-	-	-	4,976,637
Commercial Paper	Level 2	24,450,028	-	-	-	24,450,028
Total investments		<u>\$ 41,136,585</u>	<u>\$ 71,659,187</u>	<u>\$ 36,129,752</u>	<u>\$ 1,743,774</u>	<u>150,669,298</u>
Deposits						253,885
Change funds						8,841
Cash and investments						<u>\$ 150,932,024</u>

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

**Custodial credit risk** – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City’s investment policy addresses this risk by requiring that securities be held by a third-party custodian. 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, 2018, the City’s investments in US agency securities were rated AA+ or better by Standard & Poor’s and/or Aaa 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 and US government securities held by the City are not rated.

**Note 3: CASH AND INVESTMENTS – CONTINUED**

**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 were 16.2%. 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.

**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 27.3% of investments with a maturity date within one year, 47.6% with a maturity date between one and five years, 23.9% with a maturity date between six and ten years, and 1.2% with a maturity date between eleven and fifteen years.

**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2018**

**Note 4: CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2018 was as follows:

<u>Primary government:</u>	<u>Beginning</u>		<u>Reclassifications</u>		<u>Ending</u>
	<u>Balance</u>	<u>Additions</u>	<u>&amp; Adjustments</u>	<u>Disposals</u>	<u>Balance</u>
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 44,549,852	\$ 836,325	\$ 456,929	\$ -	\$ 45,843,106
Construction in progress	18,399,013	17,122,710	(9,069,642)	-	26,452,081
Total capital assets, not being depreciated	62,948,865	17,959,035	(8,612,713)	-	72,295,187
Capital assets, being depreciated					
Buildings	40,853,346	84,800	313,018	-	41,251,164
Improvements other than buildings	27,793,103	53,167	1,112,605	(46,342)	28,912,533
Machinery and equipment	39,922,701	2,660,585	1,884,152	(1,871,328)	42,596,110
Infrastructure	313,970,737	3,341,741	3,914,615	-	321,227,093
Total capital assets, being depreciated	422,539,887	6,140,293	7,224,390	(1,917,670)	433,986,900
(Less) Accumulated depreciation for:					
Buildings	(18,771,893)	(1,015,162)	-	-	(19,787,055)
Improvements other than buildings	(14,573,101)	(1,027,833)	-	40,108	(15,560,826)
Machinery and equipment	(22,344,045)	(2,515,816)	-	1,861,358	(22,998,503)
Infrastructure	(194,493,892)	(9,451,960)	-	-	(203,945,852)
Total accumulated depreciation	(250,182,931)	(14,010,771)	-	1,901,466	(262,292,236)
Total capital assets, being depreciated, net	172,356,956	(7,870,478)	7,224,390	(16,204)	171,694,664
Governmental activities capital assets, net	\$ 235,305,821	\$ 10,088,557	\$ (1,388,323)	\$ (16,204)	\$ 243,989,851
Business-type activities:					
Capital assets, not being depreciated					
Land	\$ 3,279,938	\$ 1,000	\$ -	\$ -	\$ 3,280,938
Construction in progress	7,995,413	4,939,110	(2,659,556)	-	10,274,967
Total capital assets, not being depreciated	11,275,351	4,940,110	(2,659,556)	-	13,555,905
Capital assets, being depreciated					
Buildings	55,364,845	11,380	170,403	-	55,546,628
Improvements other than buildings	6,682,144	28,404	1,014,380	-	7,724,928
Machinery and equipment	15,385,566	170,575	-	(25,880)	15,530,261
Infrastructure	129,323,591	3,967,634	2,863,096	-	136,154,321
Total capital assets, being depreciated	206,756,146	4,177,993	4,047,879	(25,880)	214,956,138
(Less) Accumulated depreciation for:					
Buildings	(27,432,018)	(1,475,735)	-	-	(28,907,753)
Improvements other than buildings	(2,383,800)	(263,834)	-	-	(2,647,634)
Machinery and equipment	(12,533,794)	(405,456)	-	25,880	(12,913,370)
Infrastructure	(42,555,338)	(2,898,454)	-	-	(45,453,792)
Total accumulated depreciation	(84,904,950)	(5,043,479)	-	25,880	(89,922,549)
Total capital assets, being depreciated, net	121,851,196	(865,486)	4,047,879	-	125,033,589
Business-type activities capital assets, net	\$ 133,126,547	\$ 4,074,624	\$ 1,388,323	\$ -	\$ 138,589,494

**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2018**

**Note 4: CAPITAL ASSETS – CONTINUED**

<u>Component unit:</u>	Beginning Balance	Additions	Reclassifications & Adjustments	Disposals	Ending Balance
Governmental activities:					
Capital assets, being depreciated					
Buildings	\$ 175,169	\$ -	\$ -	\$ -	\$ 175,169
(Less) Accumulated depreciation for:					
Buildings	(41,846)	(5,839)	-	-	(47,685)
Governmental activities capital assets, net	<u>\$ 133,323</u>	<u>\$ (5,839)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,484</u>
Business-type activities:					
Capital assets, not being depreciated					
Land	\$ 1,333,840	\$ -	\$ -	\$ -	\$ 1,333,840
Construction in progress	757,489	-	(757,489)	-	-
Total capital assets, not being depreciated	<u>2,091,329</u>	<u>-</u>	<u>(757,489)</u>	<u>-</u>	<u>1,333,840</u>
Capital assets, being depreciated					
Buildings	15,079,339	33,452	757,489	-	15,870,280
Improvements other than buildings	421,213	-	-	-	421,213
Machinery and equipment	831,889	10,800	-	-	842,689
Total capital assets, being depreciated	<u>16,332,441</u>	<u>44,252</u>	<u>757,489</u>	<u>-</u>	<u>17,134,182</u>
(Less) Accumulated depreciation for:					
Buildings	(7,218,643)	(442,185)	-	-	(7,660,828)
Improvements other than buildings	(215,161)	(19,175)	-	-	(234,336)
Machinery and equipment	(631,667)	(18,332)	-	-	(649,999)
Total accumulated depreciation	<u>(8,065,471)</u>	<u>(479,692)</u>	<u>-</u>	<u>-</u>	<u>(8,545,163)</u>
Total capital assets, being depreciated, net	<u>8,266,970</u>	<u>(435,440)</u>	<u>757,489</u>	<u>-</u>	<u>8,589,019</u>
Business-type activities capital assets, net	<u>\$ 10,358,299</u>	<u>\$ (435,440)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,922,859</u>



**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2018**

**Note 4: CAPITAL ASSETS – CONTINUED**

<u>Primary government:</u>	<u>Amount</u>
Depreciation expense was charged to governmental functions as follows:	
General Government	\$ 233,665
Parks and Recreation	1,548,848
Public Safety	439,157
Public Works	9,749,012
Public Service	160,388
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>1,879,701</u>
Total depreciation expense - governmental activities	<u>\$ 14,010,771</u>
Depreciation expense was charged to business-type functions as follows:	
Water Sewer Utility	\$ 3,839,353
Ice Center	520,674
Water Resources	614,024
Solid Waste Management	5,683
Field House	<u>63,745</u>
Total depreciation expense - business-type activities	<u>\$ 5,043,479</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	\$ 174,421
Vicksburg Crossing	<u>305,271</u>
Total depreciation expense - component unit activities	<u>\$ 479,692</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	\$ 19,501	\$ -
Residential streets	1,568,636	-
Transit facility	13,545	
Water resources management	-	1,055,237
Water and sewer utility	-	<u>31,227</u>
Total	<u>\$ 1,601,682</u>	<u>\$ 1,086,464</u>

**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2018**

**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, 2018 are summarized as follows:

	Interest Rates (%)	Payment Dates	Issue Date	Maturity Date	Authorized and Issued	Amount Retired	Debt Outstanding
<u>Primary government</u>							
Governmental activities:							
GENERAL OBLIGATION BONDS:							
Open Space Bonds - 2010A	2.00-3.25	2/01 8/01	8/24/10	2/1/26	\$ 2,990,000	\$ 1,220,000	\$ 1,770,000
GO Refunding Bonds - 2012A	2.00-3.00	2/01 8/01	4/5/12	2/1/25	4,815,000	1,410,000	3,405,000
Open Space Bonds - 2015A	2.00-3.00	2/01 8/01	3/4/15	2/1/27	3,295,000	435,000	2,860,000
Total general obligation					<u>11,100,000</u>	<u>3,065,000</u>	<u>8,035,000</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	1,205,000	1,285,000
Total governmental activities					<u>13,590,000</u>	<u>4,270,000</u>	<u>9,320,000</u>
Business-type activities:							
GO Refunding Bonds - 2012A	2.00-3.00	2/01 8/01	4/5/12	2/1/19	4,955,000	3,950,000	1,005,000
Total primary government bonds payable					<u>\$ 18,545,000</u>	<u>\$ 8,220,000</u>	<u>\$ 10,325,000</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	\$ 1,585,000	\$ 1,580,000
Governmental Housing Project Refunding Bonds - 2012A	2.00-3.25	02/01 08/01	4/5/12	2/1/35	9,890,000	995,000	8,895,000
Total component unit bonds payable					<u>\$ 13,055,000</u>	<u>\$ 2,580,000</u>	<u>\$ 10,475,000</u>

**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2018**

**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
	2019	\$ 1,050,000	\$ 252,656	\$ 1,005,000	\$ 15,075	\$ 730,000
2020	1,085,000	221,394	-	-	745,000	258,588
2021	1,140,000	187,731	-	-	770,000	240,538
2022	1,180,000	151,594	-	-	785,000	221,838
2023	1,230,000	114,019	-	-	805,000	202,788
2024-2028	3,635,000	166,834	-	-	2,510,000	786,744
2029-2033	-	-	-	-	2,860,000	423,069
2034-2035	-	-	-	-	1,270,000	41,600
	<u>\$ 9,320,000</u>	<u>\$ 1,094,228</u>	<u>\$ 1,005,000</u>	<u>\$ 15,075</u>	<u>\$ 10,475,000</u>	<u>\$ 2,451,350</u>

**D. CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Change in Accounting Principle *	Additions	Reductions	Ending Balance	Amounts due within one year
<u>Primary government:</u>						
Governmental activities:						
Bonds payable:						
General obligation bonds	\$ 8,835,000	\$ -	\$ -	\$ 800,000	\$ 8,035,000	\$ 830,000
General obligation bonds - tax increment	1,485,000	-	-	200,000	1,285,000	220,000
Deferred amounts:						
Issuance premiums (discounts)	316,904	-	-	41,869	275,035	-
Total bonds payable	10,636,904	-	-	1,041,869	9,595,035	1,050,000
Total OPEB liability	1,928,252	1,026,105	265,259	100,072	3,119,544	-
Net pension liability	22,655,871	-	3,002,160	6,407,267	19,250,764	-
Compensated absences	2,703,959	-	2,071,051	1,986,305	2,788,705	2,045,895
Governmental activity Long-term liabilities	<u>37,924,986</u>	<u>1,026,105</u>	<u>5,338,470</u>	<u>9,535,513</u>	<u>34,754,048</u>	<u>3,095,895</u>
Business-type activities:						
Bonds payable:						
General obligation bonds - refunding	1,995,000	-	-	990,000	1,005,000	1,005,000
Deferred amounts:						
Issuance premiums (discounts)	219,184	-	-	30,944	188,240	-
Business-type activity Long-term liabilities	<u>2,214,184</u>	<u>-</u>	<u>-</u>	<u>1,020,944</u>	<u>1,193,240</u>	<u>1,005,000</u>
Primary government Long-term liabilities	<u>\$ 40,139,170</u>	<u>\$ 1,026,105</u>	<u>\$ 5,338,470</u>	<u>\$ 10,556,457</u>	<u>\$ 35,947,288</u>	<u>\$ 4,100,895</u>
<u>Component unit:</u>						
Business-type activities:						
General obligation bonds - refunding	\$ 11,185,000	\$ -	\$ -	\$ 710,000	\$ 10,475,000	\$ 730,000
Deferred amounts:						
Issuance premiums (discounts)	15,152	-	-	5,079	10,073	-
Total bonds payable	11,200,152	-	-	715,079	10,485,073	730,000
Compensated absences	5,729	-	10,902	10,342	6,289	6,289
Component unit Long-term liabilities	<u>\$ 11,205,881</u>	<u>\$ -</u>	<u>\$ 10,902</u>	<u>\$ 725,421</u>	<u>\$ 10,491,362</u>	<u>\$ 736,289</u>

\* The amount in this column reflects only a portion of the change in accounting principle described earlier in these notes.

**CITY OF PLYMOUTH, MINNESOTA  
 NOTES TO FINANCIAL STATEMENTS  
 Year Ended December 31, 2018**

**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, 2018, 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	Type	Revenue Pledged		Remaining Principal and Interest	Current Year	
			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	\$ 1,020,075	\$ 1,035,000	\$ 1,086,750
Tax Increment Refunding Bonds - 2009A	Site Improvements within Housing District	Tax Increment	100%	2010-until debt obligations are paid in full	\$ 1,404,087	\$ 248,475	\$ 192,758
Governmental Housing Refunding Bonds - 2011A	Governmental Housing Project	Rental Revenue	100%	2011-2023	\$ 1,729,388	\$ 341,788	\$ 109,338
Governmental Housing Refunding Bonds - 2012A	Senior Housing Project	Rental Revenue	100%	2015-2035	\$ 11,196,962	\$ 661,550	\$ 656,673

**Note 6: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of December 31, 2018, is as follows:

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 13,678
Water Sewer Utility	General	4,612
Water Sewer Utility	Transit System	159
Water Sewer Utility	Ice Center	2,056
Water Sewer Utility	Internal Service Funds	1,389
Water Resources	General	1,039
Water Resources	Water Sewer Utility	456
Water Resources	Ice Center	999
Water Resources	Internal Service Funds	628
Nonmajor Enterprise	General	8
		<u>\$ 25,024</u>

**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2018**

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

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 Capital Projects	Nonmajor Governmental	\$ 501,960
Nonmajor Governmental	Nonmajor Governmental	460,777
Nonmajor Governmental	Ice Center	882,042
		<u>\$ 1,844,779</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.

Transfer Out:	Transfer In:				
	General	General Capital Projects	Improvement Projects	Street Replacement	Nonmajor Governmental Funds
General	\$ -	\$ 476,066	\$ -	\$ -	\$ -
General Capital Projects	-	-	-	-	-
Improvement Projects	179,312	-	-	257,608	3,528
Street Replacement	-	-	4,429,856	-	-
Nonmajor Governmental Funds	63,233	3,976,686	2,974,901	-	78,660
Water Sewer Utility	-	-	3,014,240	-	-
Ice Center	-	138,971	-	-	-
Water Resources	-	-	1,190,758	-	-
Nonmajor Enterprise Funds	-	32,095	-	-	-
Internal Service Funds	68,382	916,857	-	-	-
Total	<u>\$ 310,927</u>	<u>\$ 5,540,675</u>	<u>\$ 11,609,755</u>	<u>\$ 257,608</u>	<u>\$ 82,188</u>

Transfer Out:	Transfer In:				
	Water Sewer Utility	Water Resources	Nonmajor Enterprise Funds	Internal Service Funds	Total
General	\$ -	\$ -	\$ -	\$ 150,851	\$ 626,917
General Capital Projects	-	-	23,004	13,590	36,594
Improvement Projects	-	12,750	-	69,377	522,575
Street Replacement	-	-	-	-	4,429,856
Nonmajor Governmental Funds	-	-	-	-	7,093,480
Water Sewer Utility	-	353,682	-	193,109	3,561,031
Ice Center	-	-	-	-	138,971
Water Resources	372,142	-	-	68,262	1,631,162
Nonmajor Enterprise Funds	-	-	-	-	32,095
Internal Service Funds	-	-	-	-	985,239
Total Transfers	<u>\$ 372,142</u>	<u>\$ 366,432</u>	<u>\$ 23,004</u>	<u>\$ 495,189</u>	<u>\$ 19,057,920</u>

**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, 2018, there were 12 series of Industrial Revenue, Housing Revenue, and Health Revenue Bonds outstanding with an aggregate principal amount payable of approximately \$38.5 million.

Encumbrances

The encumbrances summarized below have been reported as assigned fund balance within the General Fund as of December 31, 2018. The purchase orders remain open for future services related to active construction projects.

	<u>General</u>
Repair and maintenance (PO)	\$ 54,181
Supplies and services (PO)	26,241
Total	<u>\$ 80,422</u>

**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2018**

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**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 5.0% 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, 2018 is \$3,479,875. 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, 2018 was \$67,123 and the City rebated \$11,239 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, 2018 was \$1,003,956 and the City rebated \$163,105 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, 2018 was \$0 and the City rebated \$11,868 in the current year.
- In 2015, the City entered into a development agreement with 169/55, LLC. The City will abate 90 percent of the incremental taxes received through execution of a tax increment revenue note to be retired in 2040. The outstanding principal balance as of December 31, 2018 was \$2,408,796 and the City rebated \$91,204 in the current year.

**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2018**

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**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. Coverage limits decreased based on a thorough review of covered property. 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>2017</u>	<u>2018</u>
Liability at beginning of year	\$ 666,697	\$ 252,529
Incurred claims and changes in estimates	(268,220)	213,749
Claims paid	<u>(145,948)</u>	<u>(177,026)</u>
Liability at end of year	<u>\$ 252,529</u>	<u>\$ 289,252</u>

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

	<u>2017</u>	<u>2018</u>
Liability at beginning of year	\$ 58,662	\$ 56,617
Incurred claims and changes in estimates	229,971	220,870
Claims paid	<u>(232,016)</u>	<u>(223,429)</u>
Liability at end of year	<u>\$ 56,617</u>	<u>\$ 54,058</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 the Coordinated Plan. Coordinated Plan members are covered by Social Security.

**2. Public Employees Police and Fire Fund (PEPFF)**

The Public Employees Police and Fire Fund (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. 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 Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent of average salary for all years 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.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. If the General Employees Plan is at least 90 percent funded for two consecutive years, benefit recipients are given a 2.5 percent increase. If the plan has not exceeded 90 percent funded, or have fallen below 80 percent, benefit recipients are given a one percent increase. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30, will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30, will receive a pro rata increase.

**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. A full, unreduced pension is earned when members are age 55 and vested, or for members who were first hired prior to July 1, 1989, when age plus years of service equal at least 90.

**Note 10: RETIREMENT PLANS – CONTINUED**

Benefit increases are provided to benefit recipients each January. Police and Fire Plan benefit recipients receive a future annual 1.0 percent increase. An annual adjustment will equal 2.5 percent any time the plan exceeds a 90 percent funded ratio for two consecutive years. If the adjustment is increased to 2.5 percent and the funded ratio falls below 80 percent for one year or 85 percent for two consecutive years, the post-retirement benefit increase will be lowered to one percent. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30 will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30 will receive a pro rata increase. For retirements after May 31, 2014, the first increase will be delayed two years.

**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. GERF Contributions**

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in calendar year 2018. The City was required to contribute 7.50 percent for Coordinated Plan members in calendar year 2018. The City's contributions to the GERF for the year ended December 31, 2018 were \$1,012,271. The City's contributions were equal to the required contributions as set by state statute.

**2. PEPFF Contributions**

Plan members were required to contribute 10.80 percent of their annual covered salary in calendar year 2018. The City was required to contribute 16.20 percent of pay for PEPFF members in calendar year 2018. The City's regular contributions to the PEPFF for the year ended December 31, 2018 were \$1,387,084. The City's contributions were equal to the required contributions as set by state statute.

**D. Pension Costs**

**1. GERF Pension Costs**

At December 31, 2018, the City reported a liability of \$10,834,442 for its proportionate share of the GERF's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2018. The State of Minnesota is considered a non-employer contributing entity and the state'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 \$355,378. The net pension liability was measured as of June 30, 2018, 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 proportionate share 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, 2017 through June 30, 2018, relative to the total employer contributions received from all of the PERA's participating employers. The City's proportionate share was 0.1953 percent at the end of the measurement period and 0.1986 percent for the beginning of the period.

The amount recognized by the City as its proportionate share of the net pension liability, the direct aid, and total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of net pension liability	\$ 10,834,442
State's proportionate share of the net pension liability associated with the City	\$ 355,378

For the year ended December 31, 2018, the City recognized pension expense of \$897,646 for its proportionate share of the GERF's pension expense. In addition, the City recognized an additional \$82,873 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the GERF.

**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2018**

**Note 10: RETIREMENT PLANS – CONTINUED**

At December 31, 2018, 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	\$ 291,398	\$ 318,421
Changes in actuarial assumptions	1,042,911	1,231,444
Differences between projected and actual investment earnings	–	1,129,185
Changes in proportion	135,266	158,002
Contributions paid to the PERA subsequent to the measurement date	<u>511,323</u>	<u>–</u>
Total	<u>\$ 1,980,898</u>	<u>\$ 2,837,052</u>

Deferred outflows of resources reported \$511,323 related to pensions resulting from city contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflows and deferred 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>
2019	\$ 410,781
2020	\$ (611,391)
2021	\$ (940,733)
2022	\$ (226,134)

**2. PEPFF Pension Costs**

At December 31, 2018, the City reported a liability of \$8,416,322 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2018, 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 proportionate share 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, 2017 through June 30, 2018, relative to the total employer contributions received from all of the PERA's participating employers. The City's proportionate share was 0.7896 percent at the end of the measurement period and 0.7390 percent at the beginning of the period.

For the year ended December 31, 2018, the City recognized pension expense of \$1,121,228 for its proportionate share of the PEPFF's pension expense. The City also recognized \$71,064 for the year ended December 31, 2018, as revenue 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, 2018**

**Note 10: RETIREMENT PLANS – CONTINUED**

At December 31, 2018, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 326,646	\$ 1,846,200
Changes in actuarial assumptions	9,382,239	11,613,988
Differences between projected and actual investment earnings	–	1,833,383
Changes in proportion	1,456,458	–
Contributions paid to the PERA subsequent to the measurement date	693,461	–
	<u>\$ 11,858,804</u>	<u>\$ 15,293,571</u>
Total		

Deferred outflows of resources reported \$693,461 related to pensions resulting from city contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2019	\$ (30,939)
2020	\$ (377,882)
2021	\$ (949,760)
2022	\$ (2,855,758)
2023	\$ 86,111

**E. Actuarial Assumptions**

The total pension liability in the June 30, 2018 actuarial valuation was determined using an individual entry-age normal actuarial cost method and 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 all plans for males or females, as appropriate, with slight adjustments to fit the PERA's experience. Cost of living benefit increases for retirees are assumed to be: 1.25 percent per year for the GERF and 1.0 percent per year for the PEPFF.

Actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies. The most recent six-year experience study in the GERF was completed in 2015. The most recent four-year experience study for the PEPFF was completed in 2016. Economic assumptions were updated in 2017 based on a review of inflation and investment return assumptions.

**Note 10: RETIREMENT PLANS – CONTINUED**

The following changes in actuarial assumptions occurred in 2018:

**GERF**

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed post-retirement benefit increase was changed from 1.0 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

**PEPFF**

- The mortality projection scale was changed from MP-2016 to MP-2017.
- As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger.

The State Board of Investment, which manages the investments of the PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return 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 geometric 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	36 %	5.10 %
International stocks	17	5.30
Bonds	20	0.75
Alternative assets	25	5.90
Cash	<u>2</u>	–
Total	<u><u>100 %</u></u>	

**F. Discount Rate**

The discount rate used to measure the total pension liability in 2018 was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the GERF and the PEPFF were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2018**

**Note 10: RETIREMENT PLANS – CONTINUED**

**G. Pension Liability Sensitivity**

The following table 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 (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
The City’s proportionate share of the GERF net pension liability	\$ 17,607,357	\$ 10,834,442	\$ 5,243,596
The City’s proportionate share of the PEPF net pension liability	\$ 18,045,124	\$ 8,416,322	\$ 453,704

**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](http://www.mnpera.org); by writing to the PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103; or by calling (651) 296-7460 or (800) 652-9026.

**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.

Total contributions made by the City during fiscal year 2018 were:

For the Year Ended December 31,	Contribution Amount		Percentage of Covered Payroll		Required Rate for Employees and Employers
	Employee	Employer	Employee	Employer	
2018	\$ 3,925	\$ 3,925	5%	5%	5%

**Note 10: RETIREMENT PLANS – CONTINUED**

**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, 2018, the plan covered 67 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 \$523,681 in fire state aid to the plan on behalf of the Department for the year ended December 31, 2018, which was recorded as a revenue. Required employer contributions are calculated on an actuarial basis annually based on statutory provisions. The City’s statutorily-required contributions to the plan for the year ended December 31, 2018 were \$0. The City made no voluntary contributions to the plan. Furthermore, the firefighter has no obligation to contribute to the plan.

**D. Pension Costs**

At December 31, 2018, the City reported a net pension liability (asset) of (\$3,742,289) for the plan. The net pension liability (asset) was measured as of December 31, 2018. 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, 2018.

**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2018**

**Note 10: RETIREMENT PLANS – CONTINUED**

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)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Beginning balance – January 1, 2018	\$ 3,981,600	\$ 8,285,227	\$ (4,303,627)
Changes for the year			
Service cost	249,274	–	249,274
Interest on pension liability (asset)	282,809	–	282,809
Change in benefit terms	184,831	–	184,831
Contributions (state)	–	523,681	(523,681)
Net investment income	–	(334,812)	334,812
Benefit payments	(381,488)	(381,488)	–
Administrative costs	–	(33,293)	33,293
Total net changes	<u>335,426</u>	<u>(225,912)</u>	<u>561,338</u>
Ending balance – December 31, 2018	<u>\$ 4,317,026</u>	<u>\$ 8,059,315</u>	<u>\$ (3,742,289)</u>

For the year ended December 31, 2018, the City recognized pension revenue of \$523,681 and pension expense of \$263,910.

At December 31, 2018, 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
	<u>                    </u>	<u>                    </u>
Difference between expected and actual liability	\$ –	\$ 293,550
Change in assumptions	–	82,320
Net difference between projected and actual earnings on plan investments	<u>441,690</u>	<u>–</u>
Total	<u>\$ 441,690</u>	<u>\$ 375,870</u>

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

2019	\$ 94,712
2020	\$ (1,220)
2021	\$ 4,538
2022	\$ 129,664
2023	\$ (53,499)
Thereafter	\$ (108,375)



**Note 10: RETIREMENT PLANS – CONTINUED**

**E. Actuarial Assumptions**

The total pension liability at December 31, 2018 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	3.71%

There was a change in plan provisions in 2018, increasing the benefit level from \$9,500 to \$10,000.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	50.00 %	5.56 %
International equity	10.00	5.20
Fixed income	35.00	1.98
Real estate and alternatives	5.00	4.25
Cash and equivalents	<u>0.00</u>	0.79
Total	<u>100.00 %</u>	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:

	<u>1 Percent Decrease (6.00%)</u>	<u>Current (7.00%)</u>	<u>1 Percent Increase (8.00%)</u>
Net pension liability (asset)	\$ (3,566,288)	\$ (3,742,289)	\$ (3,909,776)

**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 provides post-employment insurance benefits to certain eligible employees through its OPEB Plan, a single-employer defined benefit plan administered by the City. All post-employment benefits are based on contractual agreements with employee groups. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report. No plan assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**B. Benefits Provided**

All retirees of the City have the option under state law to continue their medical insurance coverage through the City from the time of retirement until the employee reaches the age of eligibility for Medicare. For members of all employee groups, the retiree must pay the full premium to continue coverage for medical and dental insurance. Per state statutes, the City is also required to contribute towards the cost of continued health insurance coverage for officers and firefighters disabled or killed in the line of duty.

The City is legally required to include any retirees for whom it provides health insurance coverage in the same insurance pool as its active employees until the retiree reaches Medicare eligibility, whether the premiums are paid by the City or the retiree. Consequently, participating retirees are considered to receive a secondary benefit known as an “implicit rate subsidy.” This benefit relates to the assumption that the retiree is receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the City’s younger and statistically healthier active employees.

**C. Contributions**

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the City. The City’s current year required pay-as-you-go contributions to finance the benefits described in the previous section totaled \$120,318.

**Note 11: OTHER POSTEMPLOYMENT BENEFITS PLAN – CONTINUED**

**D. Membership**

Membership in the plan consisted of the following as of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	4
Active plan members	<u>260</u>
 Total members	 <u><u>264</u></u>

**E. Total OPEB Liability of the City**

The City’s total OPEB liability of \$3,119,544 as of year-end was measured as of January 1, 2018, and was determined by an actuarial valuation as of January 1, 2017.

**F. Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of January 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.30%
20-year municipal bond yield	3.30%
Inflation rate	2.50%
Salary increases	3.00%
Medical trend rate	6.25% grading to 5.00% over 5 years

The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota city employees. The state pension plans base their assumptions on periodic experience studies. Economic assumptions are based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-year municipal bond yield rate of 3.30 percent, which was set by considering published rate information for 20-year high quality, tax-exempt, general obligation municipal bonds as of the measurement date.

Mortality rates were based on the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel).

**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2018**

**Note 11: OTHER POSTEMPLOYMENT BENEFITS PLAN – CONTINUED**

**G. Changes in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Beginning balance	\$ 2,954,357
Changes for the year	
Service cost	163,991
Interest	101,268
Benefit payments	<u>(100,072)</u>
Total net changes	<u>165,187</u>
Ending balance	<u>\$ 3,119,544</u>

**H. Total OPEB Liability Sensitivity to Discount and Health-Care Cost Trend Rate Changes**

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB discount rate	2.30%	3.30%	4.30%
Total OPEB liability	\$ 3,370,203	\$ 3,119,544	\$ 2,886,175

The following presents the net OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease in Medical Trend Rate</u>	<u>Medical Trend Rate</u>	<u>1% Increase in Medical Trend Rate</u>
OPEB medical trend rate	5.25% decreasing to 4.00% over 5 years	6.25% decreasing to 5.00% over 5 years	7.25% decreasing to 6.00% over 5 years
Total OPEB liability	\$ 2,778,600	\$ 3,119,544	\$ 3,519,141

**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2018**

**Note 11: OTHER POSTEMPLOYMENT BENEFITS PLAN – CONTINUED**

**I. OPEB Expense and Related Deferred Outflows of Resources and Deferred Inflows of Resources**

For the current year ended, the City recognized OPEB expense of \$265,259. As of year-end, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
City's contributions subsequent to the measurement date	\$ 120,318	\$ —

A total of \$120,318 reported as deferred outflows of resources related to OPEB resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending December 31, 2019.

**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						Total
	Special Revenue		Capital Projects			Nonmajor Governmental Funds	
	General Fund	Transit System	General Capital Projects	Improvement Projects	Street Replacement		
<b>Nonspendable</b>							
Prepaid items	\$ 96,656	\$ —	\$ 315	\$ —	\$ —	\$ 865	\$ 97,836
Cemetery Perpetual Care - Principal	—	—	—	—	—	45,860	45,860
Inventory	20	—	—	—	—	1,226	1,246
Total nonspendable	96,676	—	315	—	—	47,951	144,942
<b>Restricted</b>							
Transit Services	—	9,163,544	—	—	—	—	9,163,544
Debt Service	—	—	—	—	—	2,289,562	2,289,562
Housing Projects	—	—	—	—	—	104,283	104,283
Highway/Street Improvements	—	—	—	—	—	20,377	20,377
Park Construction	—	—	—	—	—	5,715,724	5,715,724
Tax Increment Financing	—	—	—	—	—	2,602,550	2,602,550
Cemetery Perpetual Care	—	—	—	—	—	151,493	151,493
Total restricted	—	9,163,544	—	—	—	10,883,989	20,047,533
<b>Assigned</b>							
Infrastructure Improvements	—	—	—	—	17,705,092	—	17,705,092
Recreation Programming	—	—	—	—	—	544,328	544,328
Park Improvements	—	—	—	—	—	2,331,607	2,331,607
Cemetery Maintenance	—	—	—	—	—	142,445	142,445
Other capital projects & improvements	80,422	—	6,018,392	2,719,810	—	10,820,691	19,639,315
Total assigned	80,422	—	6,018,392	2,719,810	17,705,092	13,839,071	40,362,787
<b>Unassigned</b>	16,509,324	—	—	—	—	—	16,509,324
<b>Total</b>	\$ 16,686,422	\$ 9,163,544	\$ 6,018,707	\$ 2,719,810	\$ 17,705,092	\$ 24,771,011	\$ 77,064,586

**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2018**

**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, 2018, the fund balance of the General Fund was 40% percent of the subsequent year’s annual projected expenditures and transfers out.

**Note 13: PENSION PLANS SUMMARY**

The City has reported the following balances for defined benefit pension plans of the City:

	PERA Plans			FRA	City Total
	GERF	PEPF	Subtotal		
Net pension asset	\$ -	\$ -	\$ -	\$ 3,742,289	\$ 3,742,289
Deferred outflows of pension resources	\$ 1,980,898	\$ 11,858,804	\$ 13,839,702	\$ 441,690	\$ 14,281,392
Net pension liability	\$ 10,834,442	\$ 8,416,322	\$ 19,250,764	\$ -	\$ 19,250,764
Deferred inflows of pension resources	\$ 2,837,052	\$ 15,293,571	\$ 18,130,623	\$ 375,870	\$ 18,506,493
Pension revenue	\$ 82,873	\$ 71,064	\$ 153,937	\$ 523,681	\$ 677,618
Pension expense	\$ 980,519	\$ 1,192,292	\$ 2,172,811	\$ 263,910	\$ 2,436,721

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## **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
12/31/2018	6/30/2018	0.1953%	\$ 10,834,442	\$ 355,378	\$ 11,189,820	\$ 13,126,274	82.54%	79.50%
12/31/2017	6/30/2017	0.1986%	\$ 12,678,491	\$ 159,412	\$ 12,837,903	\$ 12,781,136	99.20%	75.90%
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	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)
12/31/2018	\$ 1,012,271	\$ 1,012,271	\$ -	\$ 13,496,850	7.50%
12/31/2017	\$ 965,039	\$ 965,039	\$ -	\$ 12,867,302	7.50%
12/31/2016	\$ 948,459	\$ 948,459	\$ -	\$ 12,645,800	7.50%
12/31/2015	\$ 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\*)**

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)	City's Covered Payroll (b)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the total Pension Liability
12/31/2018	6/30/2018	0.7896%	\$ 8,416,322	\$ 8,322,240	101.13%	88.80%
12/31/2017	6/30/2017	0.7390%	\$ 9,977,380	\$ 7,487,593	133.25%	85.40%
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\*)**

City Fiscal Year End 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)
12/31/2018	\$ 1,387,084	\$ 1,387,084	\$ -	\$ 8,562,237	16.20%
12/31/2017	\$ 1,287,178	\$ 1,287,178	\$ -	\$ 7,930,730	16.23%
12/31/2016	\$ 1,154,248	\$ 1,154,248	\$ -	\$ 7,125,502	16.20%
12/31/2015	\$ 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 Plymouth Firefighters'  
Relief Association's Net Pension Asset and Related Ratios  
Required Supplementary Information (Last Ten Years\*)**

	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
<b>Total Pension Liability</b>				
Service cost	\$ 249,274	\$ 275,925	\$ 246,422	\$ 239,827
Interest	282,809	348,725	297,396	306,924
Differences between expected and actual experience	-	(373,102)	-	-
Change in assumptions	-	(8,599)	(113,973)	-
Change in benefit	184,831	-	797,225	-
Benefit payments	(381,488)	(1,934,430)	(528,341)	(895,936)
Net change in total pension liability	335,426	(1,691,481)	698,729	(349,185)
Total pension liability - beginning	3,981,600	5,673,081	4,974,352	5,323,537
Total pension liability - ending	<u>\$ 4,317,026</u>	<u>\$ 3,981,600</u>	<u>\$ 5,673,081</u>	<u>\$ 4,974,352</u>
<b>Plan Fiduciary Net Position</b>				
Contributions (state and local)	\$ 523,681	\$ 517,911	\$ 489,748	\$ 480,863
Net investment income	(334,812)	1,173,474	507,848	19,391
Benefit payments	(381,488)	(1,934,430)	(528,341)	(895,936)
Administrative costs	(33,293)	(27,325)	(30,723)	(25,044)
Net change in plan fiduciary net position	(225,912)	(270,370)	438,532	(420,726)
Total pension liability - beginning	8,285,227	8,555,597	8,117,065	8,537,791
Total pension liability - ending	<u>\$ 8,059,315</u>	<u>\$ 8,285,227</u>	<u>\$ 8,555,597</u>	<u>\$ 8,117,065</u>
<b>Net pension liability/(asset) - ending</b>	<u>\$ (3,742,289)</u>	<u>\$ (4,303,627)</u>	<u>\$ (2,882,516)</u>	<u>\$ (3,142,713)</u>
Plan fiduciary net position as a percentage of the total pension liability	186.69%	208.09%	150.81%	163.18%

\* 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.

**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
12/31/2018	\$ 32,398	\$ 523,681	\$ (491,283)	\$ -
12/31/2017	\$ 32,398	\$ 517,911	\$ (485,513)	\$ -
12/31/2016	\$ 108,897	\$ 489,748	\$ (380,851)	\$ -
12/31/2015	\$ 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 Post-Employment Benefits Plan  
Schedule of Changes in the City's Total  
OPEB Liability and Related Ratios  
Year Ended December 31, 2018**

	2018
Total OPEB liability	
Service cost	\$ 163,991
Interest	101,268
Benefit payments	(100,072)
Net change in total OPEB liability	165,187
Total OPEB liability – beginning of year	2,954,357
Total OPEB liability – end of year	\$ 3,119,544
Covered payroll	\$ 20,461,560
Total OPEB liability as a percentage of covered payroll	15.25%

Note 1: The City implemented GASB Statement No. 75 in fiscal 2018. This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

Note 2: No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**Year Ended December 31, 2018**

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**A. GENERAL EMPLOYEES RETIREMENT FUND PENSION PLAN**

1. 2018 Changes

- Changes in Actuarial Assumptions:
  - The mortality projection scale was changed from MP-2015 to MP-2017.
  - The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2. 2017 Changes

- Changes in Plan Provisions:
  - The State's special funding contribution increased from \$6 million to \$16 million.
- Changes in Actuarial Assumptions:
  - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and nonvested deferred members. The revised CSA loads are now zero percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for nonvested deferred member liability.
  - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years, to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

3. 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.

4. 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. 2018 Changes

- Changes in Actuarial Assumptions:
  - The mortality projection scale was changed from MP-2016 to MP-2017.
  - As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2016 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger.

2. 2017 Changes

- Changes in Actuarial Assumptions:
  - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
  - Assumed rates of retirement were changed, resulting in fewer retirements.
  - The Combined Service Annuity (CSA) load was 30 percent for vested and nonvested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for nonvested members.
  - The base mortality table for healthy annuitants was changed from the RP-2000 Fully Generational Table to the RP-2014 Fully Generational Table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 Disabled Mortality Table to the mortality tables assumed for healthy retirees.
  - Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
  - Assumed percentage of married female members was decreased from 65 percent to 60 percent.
  - Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
  - The assumed percentage of female members electing joint and survivor annuities was increased.
  - The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064, and 2.50 percent thereafter.
  - The single discount rate changed from 5.60 percent to 7.50 percent.

3. 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%.



**B. PUBLIC EMPLOYEES POLICE AND FIRE FUND PENSION PLAN - CONTINUED**

- 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.
4. 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%.
  - 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. 2018 Changes
- Changes in Plan Provisions:
    - Increase in the lump sum pension from \$9,500 to \$10,000 per year of service.
2. 2017 Changes
- Change in Actuarial Assumptions:
    - Mortality and termination rates were changed to those used in the most recent Minnesota PERA Police and Fire Plan actuarial valuation.
3. 2016 Changes
- Changes in Plan Provisions:
    - Increase in the lump sum pension from \$9,000 to \$9,500 per year of service.
    - The years of service required to take a lump sum pension was reduced from 10 years of service to 5 years of service if after age 50.
  - 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, 2018  
(with comparative totals for December 31, 2017)**

	Special Revenue	Debt Service	Capital Project	Permanent Fund	Totals	
					2018	2017
<b>ASSETS</b>						
Cash and investments	\$ 1,289,765	\$ 2,785,096	\$ 20,649,304	\$ 196,320	\$ 24,920,485	\$ 23,880,661
Accounts receivable	23,086	-	-	-	23,086	34,105
Notes receivable	1,145,925	-	836,000	-	1,981,925	2,100,182
Taxes receivable	6,574	10,212	71,345	-	88,131	30,282
Special assessments receivable	-	-	30,358	-	30,358	32,806
Accrued interest receivable	88,757	-	183,187	1,033	272,977	233,369
Due from other governments	41,291	-	-	-	41,291	70,564
Inventory	1,226	-	-	-	1,226	1,639
Prepaid items	865	-	-	-	865	2,369
Advances to other funds	-	-	1,342,819	-	1,342,819	1,842,147
<b>TOTAL ASSETS</b>	<b>\$ 2,597,489</b>	<b>\$ 2,795,308</b>	<b>\$ 23,113,013</b>	<b>\$ 197,353</b>	<b>\$ 28,703,163</b>	<b>\$ 28,228,124</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 33,599	\$ -	\$ 270,389	\$ -	\$ 303,988	\$ 406,605
Accrued salaries and benefits payable	41,775	-	-	-	41,775	34,929
Due to other funds	13,678	-	-	-	13,678	13,738
Due to component unit	-	-	80,000	-	80,000	80,000
Due to other governments	8,110	-	7,533	-	15,643	19,236
Advances from other funds	-	501,960	460,777	-	962,737	1,283,019
Unearned revenue	310,412	-	13,995	-	324,407	281,115
<b>Total liabilities</b>	<b>407,574</b>	<b>501,960</b>	<b>832,694</b>	<b>-</b>	<b>1,742,228</b>	<b>2,118,642</b>
Deferred inflows of resources:						
Unavailable revenue	1,239,489	3,786	946,649	-	2,189,924	2,302,527
Fund balances:						
Nonspendable	2,091	-	-	45,860	47,951	49,868
Restricted	104,283	2,289,562	8,338,651	151,493	10,883,989	9,806,957
Assigned	844,052	-	12,995,019	-	13,839,071	13,950,130
<b>Total fund balances</b>	<b>950,426</b>	<b>2,289,562</b>	<b>21,333,670</b>	<b>197,353</b>	<b>24,771,011</b>	<b>23,806,955</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 2,597,489</b>	<b>\$ 2,795,308</b>	<b>\$ 23,113,013</b>	<b>\$ 197,353</b>	<b>\$ 28,703,163</b>	<b>\$ 28,228,124</b>

**CITY OF PLYMOUTH, MINNESOTA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED DECEMBER 31, 2018  
(with comparative actual amounts for year ended December 31, 2017)**

	Special Revenue	Debt Service	Capital Project	Permanent Fund	Totals	
					2018	2017
<b>REVENUES:</b>						
Property taxes	\$ 649,764	\$ 1,532,406	\$ 2,783,347	\$ -	\$ 4,965,517	\$ 4,426,037
Special assessments	-	-	8,139	-	8,139	10,977
Intergovernmental	360,385	12	2,603,086	-	2,963,483	2,918,436
Charges for services	1,423,029	-	33,793	-	1,456,822	1,271,104
Contributions	20,633	-	2,448,355	-	2,468,988	1,791,684
Investment earnings	21,033	2,135	408,412	3,355	434,935	592,134
Loan repayments	8,573	-	-	-	8,573	8,319
Other revenues	8,998	-	16,353	-	25,351	668,049
Total revenues	<u>2,492,415</u>	<u>1,534,553</u>	<u>8,301,485</u>	<u>3,355</u>	<u>12,331,808</u>	<u>11,686,740</u>
<b>EXPENDITURES:</b>						
Current:						
General government	4	-	1,358	-	1,362	17,669
Economic development	20,022	-	701,542	-	721,564	2,161,257
Parks and recreation	1,948,572	-	9,265	-	1,957,837	1,785,591
Public service	313,413	-	-	-	313,413	311,000
Public works	-	-	31,070	27	31,097	997
Interest on interfund advances	-	23,086	20,434	-	43,520	53,818
Debt service:						
Principal retirement	-	1,000,000	-	-	1,000,000	2,595,000
Interest and fiscal charges	-	287,667	-	-	287,667	348,192
Capital outlay	-	-	-	-	-	5,159
Total expenditures	<u>2,282,011</u>	<u>1,310,753</u>	<u>763,669</u>	<u>27</u>	<u>4,356,460</u>	<u>7,278,683</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>210,404</u>	<u>223,800</u>	<u>7,537,816</u>	<u>3,328</u>	<u>7,975,348</u>	<u>4,408,057</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	54,167	28,021	-	82,188	1,941,066
Transfers out	(119,821)	-	(6,973,659)	-	(7,093,480)	(10,360,929)
Total other financing sources (uses)	<u>(119,821)</u>	<u>54,167</u>	<u>(6,945,638)</u>	<u>-</u>	<u>(7,011,292)</u>	<u>(8,419,863)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>90,583</u>	<u>277,967</u>	<u>592,178</u>	<u>3,328</u>	<u>964,056</u>	<u>(4,011,806)</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>859,843</u>	<u>2,011,595</u>	<u>20,741,492</u>	<u>194,025</u>	<u>23,806,955</u>	<u>27,818,761</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 950,426</u>	<u>\$ 2,289,562</u>	<u>\$ 21,333,670</u>	<u>\$ 197,353</u>	<u>\$ 24,771,011</u>	<u>\$ 23,806,955</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, 2018  
(with comparative totals for December 31, 2017)**

	<u>Recreation</u>	<u>Parkers Lake Cemetery Maintenance</u>	<u>Community Development</u>	<u>Economic Development</u>	<u>Community Development Block Grant</u>
<b><u>ASSETS</u></b>					
Cash and investments	\$ 907,134	\$ 141,699	\$ 57,756	\$ 98,700	\$ 84,476
Accounts receivable	9,672	-	-	-	-
Notes receivable	-	-	225,000	124,482	796,443
Taxes receivable	6,482	-	-	-	92
Accrued interest receivable	4,740	746	46,907	519	35,581
Due from other governments	-	-	-	-	41,291
Inventory	1,226	-	-	-	-
Prepaid items	865	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 930,119</u></b>	<b><u>\$ 142,445</u></b>	<b><u>\$ 329,663</u></b>	<b><u>\$ 223,701</u></b>	<b><u>\$ 957,883</u></b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u></b>					
Liabilities:					
Accounts payable	\$ 22,375	\$ -	\$ -	\$ -	\$ 11,224
Accrued salaries and benefits payable	39,960	-	-	-	1,815
Due to other funds	-	-	-	-	-
Due to other governments	8,110	-	-	-	-
Unearned revenue	310,412	-	-	-	-
Total liabilities	<u>380,857</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,039</u>
Deferred inflows of resources:					
Unavailable revenue	<u>2,843</u>	<u>-</u>	<u>271,603</u>	<u>124,482</u>	<u>840,561</u>
Fund balances:					
Nonspendable	2,091	-	-	-	-
Restricted	-	-	-	-	104,283
Assigned	544,328	142,445	58,060	99,219	-
Total fund balances	<u>546,419</u>	<u>142,445</u>	<u>58,060</u>	<u>99,219</u>	<u>104,283</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 930,119</u></b>	<b><u>\$ 142,445</u></b>	<b><u>\$ 329,663</u></b>	<b><u>\$ 223,701</u></b>	<b><u>\$ 957,883</u></b>

<b>Lawful Gambling</b>	<b>Totals</b>	
	<b>2018</b>	<b>2017</b>
\$ -	\$ 1,289,765	\$ 1,126,456
13,414	23,086	34,105
-	1,145,925	1,264,182
-	6,574	7,113
264	88,757	82,508
-	41,291	70,564
-	1,226	1,639
-	865	2,369
<u>\$ 13,678</u>	<u>\$ 2,597,489</u>	<u>\$ 2,588,936</u>
\$ -	\$ 33,599	\$ 42,406
-	41,775	34,929
13,678	13,678	13,738
-	8,110	12,686
-	310,412	267,528
<u>13,678</u>	<u>407,574</u>	<u>371,287</u>
-	1,239,489	1,357,806
-	2,091	4,008
-	104,283	47,565
-	844,052	808,270
<u>-</u>	<u>950,426</u>	<u>859,843</u>
<u>\$ 13,678</u>	<u>\$ 2,597,489</u>	<u>\$ 2,588,936</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, 2018**  
**(with comparative actual amounts for year ended December 31, 2017)**

	<u>Recreation</u>	<u>Parkers Lake Cemetery Maintenance</u>	<u>Community Development</u>	<u>Economic Development</u>	<u>Community Development Block Grant</u>
<b>REVENUES:</b>					
Property taxes	\$ 643,672	\$ -	\$ -	\$ -	\$ 6,092
Intergovernmental	7	-	-	-	360,378
Charges for services	1,360,024	20	-	-	-
Contributions	20,633	-	-	-	-
Investment earnings	11,867	2,491	987	5,085	351
Loan repayments	-	-	-	8,573	-
Other revenues	8,998	-	-	-	-
Total revenues	<u>2,045,201</u>	<u>2,511</u>	<u>987</u>	<u>13,658</u>	<u>366,821</u>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Economic development	-	-	8	20,014	-
Parks and recreation	1,948,572	-	-	-	-
Public service	-	3,310	-	-	310,103
Capital outlay	-	-	-	-	-
Total expenditures	<u>1,948,572</u>	<u>3,310</u>	<u>8</u>	<u>20,014</u>	<u>310,103</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>96,629</u>	<u>(799)</u>	<u>979</u>	<u>(6,356)</u>	<u>56,718</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers out	<u>(56,588)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	40,041	(799)	979	(6,356)	56,718
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>506,378</u>	<u>143,244</u>	<u>57,081</u>	<u>105,575</u>	<u>47,565</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 546,419</u>	<u>\$ 142,445</u>	<u>\$ 58,060</u>	<u>\$ 99,219</u>	<u>\$ 104,283</u>

Lawful Gambling	Totals	
	2018	2017
\$ -	\$ 649,764	\$ 631,390
-	360,385	251,850
62,985	1,423,029	1,238,295
-	20,633	32,440
252	21,033	18,951
-	8,573	8,319
-	8,998	8,414
<u>63,237</u>	<u>2,492,415</u>	<u>2,189,659</u>
4	4	13,812
-	20,022	31
-	1,948,572	1,780,122
-	313,413	311,000
-	-	5,159
<u>4</u>	<u>2,282,011</u>	<u>2,110,124</u>
<u>63,233</u>	<u>210,404</u>	<u>79,535</u>
<u>(63,233)</u>	<u>(119,821)</u>	<u>(76,257)</u>
-	90,583	3,278
-	859,843	856,565
<u>\$ -</u>	<u>\$ 950,426</u>	<u>\$ 859,843</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, 2018  
(with comparative actual amounts for year ended December 31, 2017)**

	2018		2017	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
<b>REVENUES:</b>				
Property taxes	\$ 650,624	\$ 643,672	\$ (6,952)	\$ 627,621
Intergovernmental	-	7	7	8
Charges for services	1,270,815	1,360,024	89,209	1,184,946
Contributions	12,000	20,633	8,633	32,440
Investment earnings	5,000	11,867	6,867	9,653
Other revenues	1,800	8,998	7,198	8,414
Total revenues	<u>1,940,239</u>	<u>2,045,201</u>	<u>104,962</u>	<u>1,863,082</u>
<b>EXPENDITURES:</b>				
Current:				
Parks and recreation:				
Personal services	1,144,301	1,131,825	12,476	1,069,907
Materials and supplies	78,786	76,772	2,014	65,637
Contractual services	647,659	699,778	(52,119)	607,534
Other	45,000	40,197	4,803	37,044
Capital outlay	37,500	-	37,500	5,159
Total expenditures	<u>1,953,246</u>	<u>1,948,572</u>	<u>4,674</u>	<u>1,785,281</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(13,007)</u>	<u>96,629</u>	<u>109,636</u>	<u>77,801</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	37,500	-	(37,500)	-
Transfers out	(24,493)	(56,588)	(32,095)	(22,831)
Total other financing sources (uses)	<u>13,007</u>	<u>(56,588)</u>	<u>(69,595)</u>	<u>(22,831)</u>
NET CHANGE IN FUND BALANCE	-	40,041	40,041	54,970
FUND BALANCE AT BEGINNING OF YEAR	<u>506,378</u>	<u>506,378</u>	<u>-</u>	<u>451,408</u>
FUND BALANCE AT END OF YEAR	<u>\$ 506,378</u>	<u>\$ 546,419</u>	<u>\$ 40,041</u>	<u>\$ 506,378</u>

**CITY OF PLYMOUTH, MINNESOTA  
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018  
(with comparative actual amounts for year ended December 31, 2017)**

	<b>2018</b>			<b>2017</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>	<b>Actual</b>
<b>REVENUES:</b>				
Property taxes	\$ 6,150	\$ 6,092	\$ (58)	\$ 3,769
Intergovernmental	289,758	360,378	70,620	251,842
Investment earnings	600	351	(249)	1,235
Total revenues	<u>296,508</u>	<u>366,821</u>	<u>70,313</u>	<u>256,846</u>
<b>EXPENDITURES:</b>				
Current:				
Public service:				
Personal services	51,986	51,175	811	41,164
Materials and supplies	300	51	249	-
Contractual services	16,747	10,139	6,608	9,225
Other	227,475	248,738	(21,263)	257,040
Total expenditures	<u>296,508</u>	<u>310,103</u>	<u>(13,595)</u>	<u>307,429</u>
NET CHANGE IN FUND BALANCE	-	56,718	56,718	(50,583)
FUND BALANCE AT BEGINNING OF YEAR	<u>47,565</u>	<u>47,565</u>	-	<u>98,148</u>
FUND BALANCE AT END OF YEAR	<u>\$ 47,565</u>	<u>\$ 104,283</u>	<u>\$ 56,718</u>	<u>\$ 47,565</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.





**CITY OF PLYMOUTH, MINNESOTA  
DEBT SERVICE FUNDS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2018  
(with comparative totals for December 31, 2017)**

	General Obligation Bonds	Tax Increment Bonds	Totals	
			2018	2017
<b><u>ASSETS</u></b>				
Cash and investments	\$ 1,670,687	\$ 1,114,409	\$ 2,785,096	\$ 2,603,336
Taxes receivable	10,212	-	10,212	14,638
Special assessments receivable	-	-	-	2,576
<b>TOTAL ASSETS</b>	<b><u>\$ 1,680,899</u></b>	<b><u>\$ 1,114,409</u></b>	<b><u>\$ 2,795,308</u></b>	<b><u>\$ 2,620,550</u></b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u></b>				
Liabilities:				
Advances from other funds	\$ -	\$ 501,960	\$ 501,960	\$ 601,870
Deferred inflows of resources:				
Unavailable revenue	3,786	-	3,786	7,085
Fund balances:				
Restricted	1,677,113	612,449	2,289,562	2,011,595
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 1,680,899</u></b>	<b><u>\$ 1,114,409</u></b>	<b><u>\$ 2,795,308</u></b>	<b><u>\$ 2,620,550</u></b>

**CITY OF PLYMOUTH, MINNESOTA**  
**DEBT SERVICE FUNDS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**YEAR ENDED DECEMBER 31, 2018**  
**(with comparative actual amounts for year ended December 31, 2017)**

	General Obligation Bonds	Tax Increment Bonds	Totals	
			2018	2017
REVENUES:				
Property taxes	\$ 1,097,275	\$ 435,131	\$ 1,532,406	\$ 1,520,020
Intergovernmental	12	-	12	15
Investment earnings	1,119	1,016	2,135	1,038
Total revenues	<u>1,098,406</u>	<u>436,147</u>	<u>1,534,553</u>	<u>1,521,073</u>
EXPENDITURES:				
Current:				
Interest on interfund advances	-	23,086	23,086	26,965
Debt service:				
Principal retirement	800,000	200,000	1,000,000	2,595,000
Interest and fiscal charges	238,596	49,071	287,667	348,192
Total expenditures	<u>1,038,596</u>	<u>272,157</u>	<u>1,310,753</u>	<u>2,970,157</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>59,810</u>	<u>163,990</u>	<u>223,800</u>	<u>(1,449,084)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	54,167	54,167	1,690,693
Transfers out	-	-	-	(573,882)
Total other financing sources (uses)	<u>-</u>	<u>54,167</u>	<u>54,167</u>	<u>1,116,811</u>
NET CHANGE IN FUND BALANCES	59,810	218,157	277,967	(332,273)
FUND BALANCES AT BEGINNING OF YEAR	<u>1,617,303</u>	<u>394,292</u>	<u>2,011,595</u>	<u>2,343,868</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,677,113</u>	<u>\$ 612,449</u>	<u>\$ 2,289,562</u>	<u>\$ 2,011,595</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.

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, 2018  
(with comparative totals for December 31, 2017)**

	<u>Minnesota State Aid</u>	<u>Community Improvement</u>	<u>Park Replacement</u>	<u>Project Administration</u>	<u>Park Construction</u>
<b><u>ASSETS</u></b>					
Cash and investments	\$ 20,309	\$ 5,633,884	\$ 2,655,065	\$ 528,705	\$ 5,696,175
Notes receivable	-	-	-	-	-
Taxes receivable	-	-	10,365	-	-
Special assessments receivable	-	30,358	-	-	-
Accrued interest receivable	68	29,652	13,950	2,509	29,921
Advances to other funds	-	460,777	132,623	-	-
<b>TOTAL ASSETS</b>	<b>\$ 20,377</b>	<b>\$ 6,154,671</b>	<b>\$ 2,812,003</b>	<b>\$ 531,214</b>	<b>\$ 5,726,096</b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u></b>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 10,372
Due to component unit	-	-	-	-	-
Due to other governments	-	-	-	545	-
Advances from other funds	-	-	460,777	-	-
Deferred revenue	-	-	13,995	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>474,772</b>	<b>545</b>	<b>10,372</b>
Deferred inflows of resources:					
Unavailable revenue	-	28,675	5,624	-	-
Fund balances:					
Restricted	20,377	-	-	-	5,715,724
Assigned	-	6,125,996	2,331,607	530,669	-
<b>Total fund balances</b>	<b>20,377</b>	<b>6,125,996</b>	<b>2,331,607</b>	<b>530,669</b>	<b>5,715,724</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 20,377</b>	<b>\$ 6,154,671</b>	<b>\$ 2,812,003</b>	<b>\$ 531,214</b>	<b>\$ 5,726,096</b>

<b>Capital Improvement</b>	<b>Tax Increment Projects</b>	<b>Totals</b>	
		<b>2018</b>	<b>2017</b>
\$ 3,237,893	\$ 2,877,273	\$ 20,649,304	\$ 19,957,622
-	836,000	836,000	836,000
4,403	56,577	71,345	8,531
-	-	30,358	30,230
17,039	90,048	183,187	150,083
749,419	-	1,342,819	1,842,147
<u>\$ 4,008,754</u>	<u>\$ 3,859,898</u>	<u>\$ 23,113,013</u>	<u>\$ 22,824,613</u>
\$ -	\$ 260,017	\$ 270,389	\$ 364,199
-	80,000	80,000	80,000
-	6,988	7,533	6,550
-	-	460,777	681,149
-	-	13,995	13,587
<u>-</u>	<u>347,005</u>	<u>832,694</u>	<u>1,145,485</u>
<u>2,007</u>	<u>910,343</u>	<u>946,649</u>	<u>937,636</u>
-	2,602,550	8,338,651	7,599,632
4,006,747	-	12,995,019	13,141,860
<u>4,006,747</u>	<u>2,602,550</u>	<u>21,333,670</u>	<u>20,741,492</u>
<u>\$ 4,008,754</u>	<u>\$ 3,859,898</u>	<u>\$ 23,113,013</u>	<u>\$ 22,824,613</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, 2018**  
**(with comparative actual amounts for year ended December 31, 2017)**

	<u>Minnesota State Aid</u>	<u>Community Improvement</u>	<u>Park Replacement</u>	<u>Project Administration</u>	<u>Park Construction</u>
<b>REVENUES:</b>					
Property taxes	\$ -	\$ -	\$ 862,213	\$ -	\$ -
Special assessments	-	8,139	-	-	-
Intergovernmental	2,603,072	-	9	-	-
Charges for services	-	-	33,793	-	-
Contributions	-	-	-	-	2,448,355
Investment earnings	17,342	109,649	69,749	10,271	112,111
Other revenues	-	-	-	-	-
Total revenues	<u>2,620,414</u>	<u>117,788</u>	<u>965,764</u>	<u>10,271</u>	<u>2,560,466</u>
<b>EXPENDITURES:</b>					
Current:					
General government	-	940	-	-	-
Economic development	-	-	-	-	-
Parks and recreation	-	-	416	-	8,849
Public works	39	-	-	31,031	-
Interest on interfund advances	-	-	20,434	-	-
Total expenditures	<u>39</u>	<u>940</u>	<u>20,850</u>	<u>31,031</u>	<u>8,849</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,620,375</u>	<u>116,848</u>	<u>944,914</u>	<u>(20,760)</u>	<u>2,551,617</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	24,493	-	3,528
Transfers out	(2,974,900)	-	(1,600,306)	-	(2,221,276)
Total other financing sources (uses)	<u>(2,974,900)</u>	<u>-</u>	<u>(1,575,813)</u>	<u>-</u>	<u>(2,217,748)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(354,525)	116,848	(630,899)	(20,760)	333,869
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>374,902</u>	<u>6,009,148</u>	<u>2,962,506</u>	<u>551,429</u>	<u>5,381,855</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 20,377</u>	<u>\$ 6,125,996</u>	<u>\$ 2,331,607</u>	<u>\$ 530,669</u>	<u>\$ 5,715,724</u>

<b>Capital Improvement</b>	<b>Tax Increment Projects</b>	<b>Totals</b>	
		<b>2018</b>	<b>2017</b>
\$ 436,389	\$ 1,484,745	\$ 2,783,347	\$ 2,274,627
-	-	8,139	10,977
5	-	2,603,086	2,666,571
-	-	33,793	32,809
-	-	2,448,355	1,759,244
58,651	30,639	408,412	569,329
16,353	-	16,353	659,635
<u>511,398</u>	<u>1,515,384</u>	<u>8,301,485</u>	<u>7,973,192</u>
418	-	1,358	3,857
-	701,542	701,542	2,161,226
-	-	9,265	5,469
-	-	31,070	958
-	-	20,434	26,853
<u>418</u>	<u>701,542</u>	<u>763,669</u>	<u>2,198,363</u>
510,980	813,842	7,537,816	5,774,829
-	-	28,021	250,373
(123,010)	(54,167)	(6,973,659)	(9,710,790)
<u>(123,010)</u>	<u>(54,167)</u>	<u>(6,945,638)</u>	<u>(9,460,417)</u>
387,970	759,675	592,178	(3,685,588)
<u>3,618,777</u>	<u>1,842,875</u>	<u>20,741,492</u>	<u>24,427,080</u>
<u>\$ 4,006,747</u>	<u>\$ 2,602,550</u>	<u>\$ 21,333,670</u>	<u>\$ 20,741,492</u>

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## **PERMANENT FUND – 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, 2018 AND 2017**

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	<u>2018</u>	<u>2017</u>
<b><u>ASSETS</u></b>		
Cash and investments	\$ 196,320	\$ 193,247
Accrued interest receivable	1,033	778
Total assets	<u>\$ 197,353</u>	<u>\$ 194,025</u>
<b><u>FUND BALANCES</u></b>		
Fund balance:		
Nonspendable	\$ 45,860	\$ 45,860
Restricted	151,493	148,165
Total fund balance	<u>\$ 197,353</u>	<u>\$ 194,025</u>

**CITY OF PLYMOUTH, MINNESOTA  
 PARKERS LAKE CEMETERY PERPETUAL CARE  
 PERMANENT FUND  
 NONMAJOR GOVERNMENTAL FUND  
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 YEARS ENDED DECEMBER 31, 2018 AND 2017**

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	<u>2018</u>	<u>2017</u>
REVENUES:		
Investment earnings	\$ 3,355	\$ 2,816
EXPENDITURES:		
Current:		
Public works	<u>27</u>	<u>39</u>
NET CHANGE IN FUND BALANCE	3,328	2,777
FUND BALANCE AT BEGINNING OF YEAR	<u>194,025</u>	<u>191,248</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 197,353</u></u>	<u><u>\$ 194,025</u></u>



**GENERAL FUND  
COMPARATIVE INFORMATION**





**CITY OF PLYMOUTH, MINNESOTA  
GENERAL FUND  
COMPARATIVE BALANCE SHEET  
DECEMBER 31, 2018 AND 2017**

	<b>Totals</b>	
	<b>2018</b>	<b>2017</b>
<b><u>ASSETS</u></b>		
Cash and investments	\$ 20,406,006	\$ 19,493,971
Accounts receivable	377,892	348,337
Taxes receivable	285,278	296,208
Special assessments receivable	22,102	30,798
Accrued interest receivable	110,082	85,121
Due from other funds	13,678	13,738
Due from other governments	330,380	86,187
Inventory	20	-
Prepaid items	96,656	69,247
<b>TOTAL ASSETS</b>	<b><u>\$ 21,642,094</u></b>	<b><u>\$ 20,423,607</u></b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u></b>		
Liabilities:		
Accounts payable	\$ 485,068	\$ 339,454
Contracts payable	4,018	104,751
Accrued salaries and benefits payable	1,106,969	869,009
Deposits payable	2,624,002	2,509,814
Due to other funds	5,659	5,532
Due to other governments	56,370	44,029
Unearned revenue	493,217	552,215
Total liabilities	<u>4,775,303</u>	<u>4,424,804</u>
Deferred inflows of resources:		
Unavailable revenue	<u>180,369</u>	<u>162,993</u>
Fund balances:		
Nonspendable	96,676	69,247
Assigned	80,422	56,597
Unassigned	16,509,324	15,709,966
Total fund balances	<u>16,686,422</u>	<u>15,835,810</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 21,642,094</u></b>	<b><u>\$ 20,423,607</u></b>

**CITY OF PLYMOUTH, MINNESOTA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND TRANSFERS - BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2018**  
(with comparative actual amounts for year ended December 31, 2017)

	2018		Variance with Final Budget	2017
	Original and Final Budget	Actual		Actual
REVENUES:				
Property taxes	\$ 28,113,058	\$ 27,836,128	\$ (276,930)	\$ 26,543,658
Special assessments	11,500	19,856	8,356	19,960
Licenses and permits	4,042,460	4,441,208	398,748	4,821,527
Intergovernmental:				
State grants and aids	2,164,454	2,319,062	154,608	2,108,960
Federal grants	59,684	90,902	31,218	169,204
Other	400,000	516,356	116,356	446,974
Total intergovernmental	2,624,138	2,926,320	302,182	2,725,138
Charges for services	3,470,970	3,189,093	(281,877)	2,937,238
Fines and forfeitures	613,000	520,206	(92,794)	538,828
Contributions	81,600	88,875	7,275	93,736
Investment earnings	240,000	264,307	24,307	167,650
Other revenues	143,300	255,558	112,258	433,286
Total revenues	39,340,026	39,541,551	201,525	38,281,021
OTHER FINANCING SOURCES:				
Transfers from other funds:				
Lawful Gambling	42,000	63,233	21,233	53,426
Improvement Project Construction	150,000	179,312	29,312	206,544
Public Facilities	-	-	-	28,272
Resource Planning	61,000	68,382	7,382	11,665
Total other financing sources	253,000	310,927	57,927	299,907
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 39,593,026	\$ 39,852,478	\$ 259,452	\$ 38,580,928

**CITY OF PLYMOUTH, MINNESOTA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2018**  
(with comparative actual amounts for year ended December 31, 2017)

	2018		Variance with Final Budget	2017
	Original and Final Budget	Actual		Actual
<b>GENERAL GOVERNMENT:</b>				
Personal services	\$ 3,469,455	\$ 3,650,715	\$ (181,260)	\$ 3,399,955
Materials and supplies	32,100	25,140	6,960	17,161
Contractual services	2,485,796	2,538,362	(52,566)	2,358,717
Capital outlay	-	18,743	(18,743)	-
Other	557,063	284,839	272,224	386,904
Total general government	<u>6,544,414</u>	<u>6,517,799</u>	<u>26,615</u>	<u>6,162,737</u>
<b>ECONOMIC DEVELOPMENT:</b>				
Personal services	211,153	149,616	61,537	120,417
Materials and supplies	500	93	407	450
Contractual services	48,888	31,385	17,503	66,243
Other	5,000	-	5,000	-
Total economic development	<u>265,541</u>	<u>181,094</u>	<u>84,447</u>	<u>187,110</u>
<b>PARKS AND RECREATION:</b>				
Personal services	3,341,433	3,290,614	50,819	3,081,512
Materials and supplies	535,600	540,650	(5,050)	493,192
Contractual services	2,425,865	2,376,392	49,473	2,267,286
Capital outlay	150,000	142,704	7,296	16,100
Other	10,300	10,519	(219)	10,590
Total parks and recreation	<u>6,463,198</u>	<u>6,360,879</u>	<u>102,319</u>	<u>5,868,680</u>
<b>PUBLIC SAFETY:</b>				
Personal services	14,909,608	14,803,798	105,810	13,860,570
Materials and supplies	398,305	337,526	60,779	306,750
Contractual services	4,323,569	4,281,496	42,073	4,066,492
Capital outlay	-	13,881	(13,881)	-
Other	621,050	673,557	(52,507)	691,906
Total public safety	<u>20,252,532</u>	<u>20,110,258</u>	<u>142,274</u>	<u>18,925,718</u>
<b>PUBLIC WORKS:</b>				
Personal services	2,457,957	2,241,574	216,383	2,096,372
Materials and supplies	503,100	396,965	106,135	272,555
Contractual services	2,901,484	2,538,523	362,961	2,414,064
Capital outlay	55,000	26,176	28,824	-
Other	300	1,681	(1,381)	702
Total public works	<u>5,917,841</u>	<u>5,204,919</u>	<u>712,922</u>	<u>4,783,693</u>
Total expenditures	<u>39,443,526</u>	<u>38,374,949</u>	<u>1,068,577</u>	<u>35,927,938</u>
<b>OTHER FINANCING USES:</b>				
Transfers to other funds:				
General Capital Projects	-	476,066	(476,066)	1,618,461
Central Equipment	-	1,351	(1,351)	75,000
Resource Planning	149,500	149,500	-	200,500
Total other financing uses	<u>149,500</u>	<u>626,917</u>	<u>(477,417)</u>	<u>1,893,961</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 39,593,026</u>	<u>\$ 39,001,866</u>	<u>\$ 591,160</u>	<u>\$ 37,821,899</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, 2018**  
**(with comparative totals for December 31, 2017)**

	<u>Solid Waste Management</u>	<u>Field House</u>	<u>Totals</u>	
			<u>2018</u>	<u>2017</u>
<b><u>ASSETS</u></b>				
Current assets:				
Cash and investments	\$ 1,242,378	\$ 1,233,707	\$ 2,476,085	\$ 2,451,317
Accounts receivable	169,815	229,690	399,505	351,762
Special assessments receivable	9,109	-	9,109	8,552
Accrued interest receivable	6,532	6,492	13,024	9,862
Due from other funds	8	-	8	-
Due from other governments	5,837	-	5,837	5,837
Prepaid items	-	1,376	1,376	1,976
Total current assets	<u>1,433,679</u>	<u>1,471,265</u>	<u>2,904,944</u>	<u>2,829,306</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	147,885	248,368	396,253	396,253
Machinery and equipment	-	161,990	161,990	161,990
Total capital assets	<u>147,885</u>	<u>1,764,096</u>	<u>1,911,981</u>	<u>1,911,981</u>
Less accumulated depreciation	<u>(21,308)</u>	<u>(1,170,915)</u>	<u>(1,192,223)</u>	<u>(1,122,796)</u>
Net capital assets	<u>126,577</u>	<u>593,181</u>	<u>719,758</u>	<u>789,185</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,560,256</u></b>	<b><u>\$ 2,064,446</u></b>	<b><u>\$ 3,624,702</u></b>	<b><u>\$ 3,618,491</u></b>
<b><u>LIABILITIES</u></b>				
Current liabilities:				
Accounts payable	\$ 76,806	\$ 21,638	\$ 98,444	\$ 89,406
Accrued salaries and benefits payable	1,550	6,319	7,869	9,131
Due to other governments	-	541	541	574
Unearned revenue	-	234,307	234,307	221,063
Total liabilities	<u>78,356</u>	<u>262,805</u>	<u>341,161</u>	<u>320,174</u>
<b><u>NET POSITION</u></b>				
Net investment in capital assets	126,577	593,181	719,758	789,185
Unrestricted	1,355,323	1,208,460	2,563,783	2,509,132
Total net position	<u>1,481,900</u>	<u>1,801,641</u>	<u>3,283,541</u>	<u>3,298,317</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b><u>\$ 1,560,256</u></b>	<b><u>\$ 2,064,446</u></b>	<b><u>\$ 3,624,702</u></b>	<b><u>\$ 3,618,491</u></b>



**CITY OF PLYMOUTH, MINNESOTA**  
**ENTERPRISE FUNDS**  
**NONMAJOR PROPRIETARY FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED DECEMBER 31, 2018**  
**(with comparative totals for year ended December 31, 2017)**

	<b>Solid Waste</b>	<b>Field</b>	<b>Totals</b>	
	<b>Management</b>	<b>House</b>	<b>2018</b>	<b>2017</b>
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 743,924	\$ 416,115	\$ 1,160,039	\$ 1,047,625
Other fees	17,526	2,843	20,369	107,336
Total operating revenue	<u>761,450</u>	<u>418,958</u>	<u>1,180,408</u>	<u>1,154,961</u>
<b>OPERATING EXPENSES:</b>				
Personal services	87,154	124,390	211,544	242,291
Materials and supplies	1,809	5,426	7,235	13,094
Contractual services	996,393	118,566	1,114,959	1,043,455
Depreciation	5,683	63,745	69,428	68,638
Total operating expenses	<u>1,091,039</u>	<u>312,127</u>	<u>1,403,166</u>	<u>1,367,478</u>
OPERATING INCOME (LOSS)	<u>(329,589)</u>	<u>106,831</u>	<u>(222,758)</u>	<u>(212,517)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment earnings	24,811	18,405	43,216	56,901
Intergovernmental	178,141	-	178,141	205,779
Other	(3,996)	(288)	(4,284)	(2,497)
Total nonoperating revenues (expenses)	<u>198,956</u>	<u>18,117</u>	<u>217,073</u>	<u>260,183</u>
INCOME (LOSS) BEFORE TRANSFERS	(130,633)	124,948	(5,685)	47,666
TRANSFERS IN	-	23,004	23,004	-
TRANSFERS OUT	<u>-</u>	<u>(32,095)</u>	<u>(32,095)</u>	<u>(780,672)</u>
CHANGES IN NET POSITION	(130,633)	115,857	(14,776)	(733,006)
NET POSITION AT BEGINNING OF YEAR	<u>1,612,533</u>	<u>1,685,784</u>	<u>3,298,317</u>	<u>4,031,323</u>
NET POSITION AT END OF YEAR	<u>\$ 1,481,900</u>	<u>\$ 1,801,641</u>	<u>\$ 3,283,541</u>	<u>\$ 3,298,317</u>

**CITY OF PLYMOUTH, MINNESOTA**  
**ENTERPRISE FUNDS**  
**NONMAJOR PROPRIETARY FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2018**  
**(with comparative totals for year ended December 31, 2017)**

	<u>Solid Waste Management</u>	<u>Field House</u>	<u>Totals</u>	
			<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM</b>				
<b>OPERATING ACTIVITIES:</b>				
Receipts from customers or users	\$ 741,960	\$ 403,384	\$ 1,145,344	\$ 1,079,768
Payments to suppliers	(996,752)	(115,838)	(1,112,590)	(1,050,205)
Payments to employees	(89,080)	(123,726)	(212,806)	(242,634)
Other operating revenue (expense)	(3,996)	(288)	(4,284)	(2,497)
Net cash flows from operating activities	<u>(347,868)</u>	<u>163,532</u>	<u>(184,336)</u>	<u>(215,568)</u>
<b>CASH FLOWS FROM NONCAPITAL</b>				
<b>FINANCING ACTIVITIES:</b>				
Intergovernmental revenues	178,141	-	178,141	205,779
Transfers in from other funds	-	23,004	23,004	-
Transfers out to other funds	-	(32,095)	(32,095)	(780,672)
Net cash flows from noncapital financing activities	<u>178,141</u>	<u>(9,091)</u>	<u>169,050</u>	<u>(574,893)</u>
<b>CASH FLOWS FROM CAPITAL AND</b>				
<b>RELATED FINANCING ACTIVITIES:</b>				
Acquisition and construction of capital assets	-	-	-	(12,937)
<b>CASH FLOWS FROM</b>				
<b>INVESTING ACTIVITIES:</b>				
Investment earnings	<u>23,873</u>	<u>16,181</u>	<u>40,054</u>	<u>61,248</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(145,854)</b>	<b>170,622</b>	<b>24,768</b>	<b>(742,150)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>1,388,232</u>	<u>1,063,085</u>	<u>2,451,317</u>	<u>3,193,467</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 1,242,378</u>	<u>\$ 1,233,707</u>	<u>\$ 2,476,085</u>	<u>\$ 2,451,317</u>
<b>RECONCILIATION OF OPERATING</b>				
<b>INCOME (LOSS) TO NET CASH FLOWS</b>				
<b>FROM OPERATING ACTIVITIES:</b>				
Operating income (loss)	<u>\$ (329,589)</u>	<u>\$ 106,831</u>	<u>\$ (222,758)</u>	<u>\$ (212,517)</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	5,683	63,745	69,428	68,638
Other expense	(3,996)	(288)	(4,284)	(2,497)
Changes in assets and liabilities:				
Accounts receivable	(18,925)	(28,818)	(47,743)	(55,866)
Special assessments receivable	(557)	-	(557)	(1,222)
Due from other governments	-	-	-	-
Due from other funds	(8)	-	(8)	-
Prepaid items	600	(1)	599	(70)
Accounts payable	850	8,188	9,038	6,791
Due to other governments	-	(33)	(33)	(377)
Accrued salaries payable	(1,926)	664	(1,262)	(343)
Unearned revenue	-	13,244	13,244	(18,105)
Total adjustments	<u>(18,279)</u>	<u>56,701</u>	<u>38,422</u>	<u>(3,051)</u>
Net cash flows from operating activities	<u>\$ (347,868)</u>	<u>\$ 163,532</u>	<u>\$ (184,336)</u>	<u>\$ (215,568)</u>

**CITY OF PLYMOUTH, MINNESOTA**  
**INTERNAL SERVICE FUNDS**  
**PROPRIETARY FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**DECEMBER 31, 2018**  
**(with comparative totals for December 31, 2017)**

	<u>Central Equipment</u>	<u>Public Facilities</u>	<u>Information Technology</u>	<u>Risk Management</u>
<b><u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u></b>				
Current assets:				
Cash and investments	\$ 8,599,489	\$ 6,107,224	\$ 5,668,247	\$ 6,704,838
Accounts receivable	-	1	5,463	-
Accrued interest receivable	45,236	32,126	29,817	35,066
Due from other governments	6,645	-	3,827	-
Inventory	113,141	-	-	-
Prepaid items	1,860	1,985	320,040	135,404
Total current assets	<u>8,766,371</u>	<u>6,141,336</u>	<u>6,027,394</u>	<u>6,875,308</u>
Noncurrent assets:				
Capital assets:				
Land	33,520	-	-	-
Buildings	-	1,163,233	-	-
Improvements other than buildings	-	548,201	653,967	-
Machinery and equipment	21,755,381	1,481,699	2,301,549	-
Infrastructure	-	-	172,787	-
Construction in progress	372,058	-	86,440	-
Total capital assets	<u>22,160,959</u>	<u>3,193,133</u>	<u>3,214,743</u>	<u>-</u>
Less accumulated depreciation	<u>(11,326,548)</u>	<u>(613,044)</u>	<u>(2,121,423)</u>	<u>-</u>
Net capital assets	<u>10,834,411</u>	<u>2,580,089</u>	<u>1,093,320</u>	<u>-</u>
Total assets	<u>19,600,782</u>	<u>8,721,425</u>	<u>7,120,714</u>	<u>6,875,308</u>
Deferred outflows of resources:				
OPEB deferments	-	-	-	-
Pension plan deferments - PERA	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b><u>\$ 19,600,782</u></b>	<b><u>\$ 8,721,425</u></b>	<b><u>\$ 7,120,714</u></b>	<b><u>\$ 6,875,308</u></b>
<b><u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u></b>				
Current liabilities:				
Accounts payable	\$ 242,128	\$ 120,331	\$ 39,215	\$ 306,171
Contracts payable	-	-	-	-
Accrued salaries and benefits payable	17,303	11,996	28,190	-
Compensated absences payable	-	-	-	-
Due to other funds	598	1,419	-	-
Due to other governments	-	-	160	-
Total current liabilities	<u>260,029</u>	<u>133,746</u>	<u>67,565</u>	<u>306,171</u>
Noncurrent liabilities:				
Total OPEB liability	-	-	-	-
Net pension liability	-	-	-	-
Compensated absences payable	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>260,029</u>	<u>133,746</u>	<u>67,565</u>	<u>306,171</u>
Deferred inflows of resources:				
Pension plan deferments - PERA	-	-	-	-
<b>NET POSITION</b>				
Net investment in capital assets	10,834,411	2,580,089	1,093,320	-
Unrestricted	8,506,342	6,007,590	5,959,829	6,569,137
Total net position	<u>19,340,753</u>	<u>8,587,679</u>	<u>7,053,149</u>	<u>6,569,137</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b><u>\$ 19,600,782</u></b>	<b><u>\$ 8,721,425</u></b>	<b><u>\$ 7,120,714</u></b>	<b><u>\$ 6,875,308</u></b>

Employee Benefits	Resource Planning	Totals	
		2018	2017
\$ 5,421,497	\$ 3,457,651	\$ 35,958,946	\$ 35,335,518
2,674	-	8,138	-
28,091	18,254	188,590	142,011
-	-	10,472	23,080
-	-	113,141	113,831
-	980	460,269	354,335
<u>5,452,262</u>	<u>3,476,885</u>	<u>36,739,556</u>	<u>35,968,775</u>
-	-	33,520	33,520
-	-	1,163,233	813,526
-	-	1,202,168	1,176,322
-	-	25,538,629	23,587,726
-	-	172,787	147,638
-	-	458,498	34,183
-	-	28,568,835	25,792,915
-	-	(14,061,015)	(13,399,879)
-	-	14,507,820	12,393,036
<u>5,452,262</u>	<u>3,476,885</u>	<u>51,247,376</u>	<u>48,361,811</u>
120,318	-	120,318	-
13,839,702	-	13,839,702	17,781,683
<u>13,960,020</u>	<u>-</u>	<u>13,960,020</u>	<u>17,781,683</u>
<u>\$ 19,412,282</u>	<u>\$ 3,476,885</u>	<u>\$ 65,207,396</u>	<u>\$ 66,143,494</u>
\$ 52,565	\$ 5,001	\$ 765,411	\$ 850,445
-	-	-	29,876
-	-	57,489	49,658
2,045,895	-	2,045,895	1,903,535
-	-	2,017	1,673
-	-	160	435
<u>2,098,460</u>	<u>5,001</u>	<u>2,870,972</u>	<u>2,835,622</u>
3,119,544	-	3,119,544	1,928,252
19,250,764	-	19,250,764	22,655,871
742,810	-	742,810	800,424
<u>23,113,118</u>	<u>-</u>	<u>23,113,118</u>	<u>25,384,547</u>
<u>25,211,578</u>	<u>5,001</u>	<u>25,984,090</u>	<u>28,220,169</u>
<u>18,130,623</u>	<u>-</u>	<u>18,130,623</u>	<u>19,120,780</u>
-	-	14,507,820	12,393,036
(23,929,919)	3,471,884	6,584,863	6,409,509
<u>(23,929,919)</u>	<u>3,471,884</u>	<u>21,092,683</u>	<u>18,802,545</u>
<u>\$ 19,412,282</u>	<u>\$ 3,476,885</u>	<u>\$ 65,207,396</u>	<u>\$ 66,143,494</u>

**CITY OF PLYMOUTH, MINNESOTA**  
**INTERNAL SERVICE FUNDS**  
**PROPRIETARY FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED DECEMBER 31, 2018**  
**(with comparative totals for year ended December 31, 2017)**

	<b>Central Equipment</b>	<b>Public Facilities</b>	<b>Information Technology</b>	<b>Risk Management</b>
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 3,472,625	\$ 1,853,475	\$ 2,526,840	\$ 549,107
Other fees	-	-	-	126,837
Total operating revenue	<u>3,472,625</u>	<u>1,853,475</u>	<u>2,526,840</u>	<u>675,944</u>
<b>OPERATING EXPENSES:</b>				
Personal services	393,411	255,975	656,923	5,985
Materials and supplies	697,326	37,105	271,041	80
Insurance Claims	-	-	-	260,017
Contractual services	258,866	995,658	1,045,062	606,656
Depreciation	1,485,828	159,332	234,541	-
Total operating expenses	<u>2,835,431</u>	<u>1,448,070</u>	<u>2,207,567</u>	<u>872,738</u>
<b>OPERATING INCOME (LOSS)</b>	<u>637,194</u>	<u>405,405</u>	<u>319,273</u>	<u>(196,794)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment earnings	152,649	115,989	90,870	118,302
Intergovernmental	-	-	9,035	-
Gain on disposal of capital assets	119,991	-	1,835	-
Contributions	-	-	-	-
Contributions to Governmental Activities	-	-	-	-
Other	5,289	23,857	(474)	(39,521)
Total nonoperating revenues (expenses)	<u>277,929</u>	<u>139,846</u>	<u>101,266</u>	<u>78,781</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>915,123</u>	<u>545,251</u>	<u>420,539</u>	<u>(118,013)</u>
<b>CAPITAL CONTRIBUTIONS</b>	194,714	724,051	69,260	-
<b>TRANSFERS IN</b>	332,099	13,590	-	-
<b>TRANSFERS OUT</b>	<u>(13,571)</u>	<u>(903,286)</u>	<u>-</u>	<u>-</u>
<b>CHANGES IN NET POSITION</b>	1,428,365	379,606	489,799	(118,013)
<b>NET POSITION AT BEGINNING OF YEAR</b>	17,912,388	8,208,073	6,563,350	6,687,150
<b>CHANGE IN ACCOUNTING PRINCIPLE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION AT END OF YEAR</b>	<u>\$ 19,340,753</u>	<u>\$ 8,587,679</u>	<u>\$ 7,053,149</u>	<u>\$ 6,569,137</u>

Employee Benefits	Resource Planning	Totals	
		2018	2017
\$ 3,763,885	\$ 516,431	\$ 12,682,363	\$ 11,950,624
-	-	126,837	120,809
<u>3,763,885</u>	<u>516,431</u>	<u>12,809,200</u>	<u>12,071,433</u>
3,599,477	-	4,911,771	7,083,816
-	86,755	1,092,307	1,430,818
-	-	260,017	653,097
843	53,491	2,960,576	2,006,469
-	-	1,879,701	1,746,223
<u>3,600,320</u>	<u>140,246</u>	<u>11,104,372</u>	<u>12,920,423</u>
<u>163,565</u>	<u>376,185</u>	<u>1,704,828</u>	<u>(848,990)</u>
107,357	49,356	634,523	520,342
-	6,994	16,029	46,424
-	-	121,826	111,262
153,937	82,810	236,747	142,085
-	(33,217)	(33,217)	(146,985)
2,315	45,994	37,460	16,321
<u>263,609</u>	<u>151,937</u>	<u>1,013,368</u>	<u>689,449</u>
427,174	528,122	2,718,196	(159,541)
-	-	988,025	447,964
-	149,500	495,189	510,565
-	(68,382)	(985,239)	(179,559)
427,174	609,240	3,216,171	619,429
(23,431,060)	2,862,644	18,802,545	18,183,116
<u>(926,033)</u>	<u>-</u>	<u>(926,033)</u>	<u>-</u>
<u>\$ (23,929,919)</u>	<u>\$ 3,471,884</u>	<u>\$ 21,092,683</u>	<u>\$ 18,802,545</u>

**CITY OF PLYMOUTH, MINNESOTA**  
**INTERNAL SERVICE FUNDS**  
**PROPRIETARY FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2018**  
**(with comparative totals for year ended December 31, 2017)**

	<u>Central Equipment</u>	<u>Public Facilities</u>	<u>Information Technology</u>	<u>Risk Management</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers or users	\$ 3,481,992	\$ 1,853,474	\$ 2,524,618	\$ 675,944
Payments to suppliers	(958,504)	(970,027)	(1,408,074)	(872,483)
Payments to employees	(390,557)	(251,158)	(653,705)	(8,420)
Other operating revenues (expenses)	5,289	23,857	(474)	(39,521)
Net cash flows from operating activities	<u>2,138,220</u>	<u>656,146</u>	<u>462,365</u>	<u>(244,480)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Intergovernmental revenues	-	-	9,035	-
Contributions	-	-	-	-
Transfers in from other funds	332,099	13,590	-	-
Transfers out to other funds	(13,571)	(903,286)	-	-
Net cash flows from noncapital financing activities	<u>318,528</u>	<u>(889,696)</u>	<u>9,035</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition and construction of capital assets	(2,613,871)	(264,371)	(167,612)	-
Proceeds from sale of capital assets	129,509	-	1,835	-
Net cash flows from capital and related financing activities	<u>(2,484,362)</u>	<u>(264,371)</u>	<u>(165,777)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment earnings	<u>141,578</u>	<u>110,011</u>	<u>82,307</u>	<u>110,720</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>113,964</b>	<b>(387,910)</b>	<b>387,930</b>	<b>(133,760)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u><b>8,485,525</b></u>	<u><b>6,495,134</b></u>	<u><b>5,280,317</b></u>	<u><b>6,838,598</b></u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u><b>\$ 8,599,489</b></u></u>	<u><u><b>\$ 6,107,224</b></u></u>	<u><u><b>\$ 5,668,247</b></u></u>	<u><u><b>\$ 6,704,838</b></u></u>

(Continued...)

<b>Employee Benefits</b>	<b>Resource Planning</b>	<b>Totals</b>	
		<b>2018</b>	<b>2017</b>
\$ 3,763,885	\$ 516,431	\$ 12,816,344	\$ 12,064,815
(4,474)	(289,547)	(4,503,109)	(3,836,974)
(3,826,370)	-	(5,130,210)	(5,093,116)
2,315	45,994	37,460	16,321
<u>(64,644)</u>	<u>272,878</u>	<u>3,220,485</u>	<u>3,151,046</u>
-	6,994	16,029	46,424
153,937	82,810	236,747	142,085
-	149,500	495,189	510,565
-	(68,382)	(985,239)	(179,559)
<u>153,937</u>	<u>170,922</u>	<u>(237,274)</u>	<u>519,515</u>
-	(33,217)	(3,079,071)	(2,179,257)
-	-	131,344	202,081
-	(33,217)	(2,947,727)	(1,977,176)
<u>100,107</u>	<u>43,221</u>	<u>587,944</u>	<u>523,512</u>
189,400	453,804	623,428	2,216,897
<u>5,232,097</u>	<u>3,003,847</u>	<u>35,335,518</u>	<u>33,118,621</u>
<u>\$ 5,421,497</u>	<u>\$ 3,457,651</u>	<u>\$ 35,958,946</u>	<u>\$ 35,335,518</u>



**CITY OF PLYMOUTH, MINNESOTA**  
**INTERNAL SERVICE FUNDS**  
**PROPRIETARY FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2018**  
**(with comparative totals for year ended December 31, 2017)**

(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)	\$ 637,194	\$ 405,405	\$ 319,273	\$ (196,794)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	1,485,828	159,332	234,541	-
Other revenues (expenses)	5,289	23,857	(474)	(39,521)
Changes in assets, deferred outflows, liabilities, and deferred inflows:				
Accounts receivable	-	(1)	(5,463)	-
Due from other governments	9,367	-	3,241	-
Inventory	690	-	-	-
Prepaid items	1,627	(296)	(82,540)	(23,995)
Deferred outflow for pension plan deferments	-	-	-	-
Deferred outflow for OPEB plan deferments	-	-	-	-
Accounts payable	(4,705)	62,764	(9,482)	18,265
Due to other funds	76	1,419	-	-
Due to other governments	-	(1,151)	51	-
Accrued salaries payable	2,854	4,817	3,218	(2,435)
Total OPEB liability	-	-	-	-
Net pension liability	-	-	-	-
Compensated absences payable	-	-	-	-
Unearned revenue	-	-	-	-
Deferred inflow for pension plan deferments	-	-	-	-
Total adjustments	<u>1,501,026</u>	<u>250,741</u>	<u>143,092</u>	<u>(47,686)</u>
Net cash flows from operating activities	<u>\$ 2,138,220</u>	<u>\$ 656,146</u>	<u>\$ 462,365</u>	<u>\$ (244,480)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
Contributions of capital assets from City funds	194,714	724,051	69,260	-
Trade-in values on capital asset purchases	9,518	-	-	-
Transfer of capital assets to other City funds	-	-	-	-
Increase (decrease) in capital assets from accounts and contracts payable	-	(29,876)	-	-

Employee Benefits	Resource Planning	Totals	
		2018	2017
\$ 163,565	\$ 376,185	\$ 1,704,828	\$ (848,990)
-	-	1,879,701	1,746,223
2,315	45,994	37,460	16,321
(2,674)	-	(8,138)	5,723
-	-	12,608	(12,341)
-	-	690	8,286
-	(730)	(105,934)	261,522
3,941,981	-	3,941,981	9,673,752
(20,246)	-	(20,246)	-
(3,631)	(148,245)	(85,034)	(16,345)
-	-	1,495	1,673
-	(326)	(1,426)	(1,726)
(623)	-	7,831	875
165,187	-	165,187	211,743
(3,405,107)	-	(3,405,107)	(21,736,584)
84,746	-	84,746	(92,680)
-	-	-	-
(990,157)	-	(990,157)	13,933,594
<u>(228,209)</u>	<u>(103,307)</u>	<u>1,515,657</u>	<u>4,000,036</u>
<u>\$ (64,644)</u>	<u>\$ 272,878</u>	<u>\$ 3,220,485</u>	<u>\$ 3,151,046</u>
-	-	988,025	447,964
-	-	9,518	66,882
-	(33,217)	(33,217)	(146,985)
-	-	(29,876)	29,876

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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, 2018**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 2,358,389	\$ 2,877,628	\$ 5,236,017
Accounts receivable	8,245	826	9,071
Notes receivable	1,076,846	-	1,076,846
Taxes receivable	5,796	-	5,796
Accrued interest receivable	129,436	6,479	135,915
Due from City	-	80,000	80,000
Due from other governments	13,018	-	13,018
Prepaid items	315	33,864	34,179
Capital assets:			
Nondepreciable:			
Land	-	1,333,840	1,333,840
Depreciable (net):			
Buildings	127,484	8,209,452	8,336,936
Improvements other than buildings	-	186,877	186,877
Machinery and equipment	-	192,690	192,690
<b>TOTAL ASSETS</b>	<b><u>\$ 3,719,529</u></b>	<b><u>\$ 12,921,656</u></b>	<b><u>\$ 16,641,185</u></b>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 5,849	\$ 38,253	\$ 44,102
Accrued salaries and benefits payable	20,220	4,979	25,199
Deposits payable	-	134,991	134,991
Due to other governments	5,202	93,599	98,801
Unearned revenue	-	16	16
Accrued interest payable	-	108,851	108,851
Noncurrent liabilities:			
Due within one year	-	736,289	736,289
Due in more than one year	-	9,755,073	9,755,073
Total liabilities	<u>31,271</u>	<u>10,872,051</u>	<u>10,903,322</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	127,484	(562,214)	(434,730)
Restricted for:			
Debt Service	-	563,709	563,709
Housing projects	3,560,774	-	3,560,774
Unrestricted	-	2,048,110	2,048,110
Total net position	<u>3,688,258</u>	<u>2,049,605</u>	<u>5,737,863</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b><u>\$ 3,719,529</u></b>	<b><u>\$ 12,921,656</u></b>	<b><u>\$ 16,641,185</u></b>

**HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2018**

<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	\$ 3,358,804	\$ 9,900	\$ 2,918,836	\$ -
Business-type activities:				
Plymouth Towne Square	840,541	726,529	-	80,000
Vicksburg Crossing	1,126,840	1,243,362	-	-
Total business-type activities	1,967,381	1,969,891	-	80,000
Total HRA government	<u>\$ 5,326,185</u>	<u>\$ 1,979,791</u>	<u>\$ 2,918,836</u>	<u>\$ 80,000</u>

GENERAL REVENUES:

Property taxes  
Investment earnings  
Other

TRANSFERS

Total general revenues

CHANGE IN NET POSITION

NET POSITION - BEGINNING

NET POSITION - ENDING

**Net (Expense) Revenue and Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (430,068)	\$ -	\$ (430,068)
-	(34,012)	(34,012)
-	116,522	116,522
	82,510	82,510
(430,068)	82,510	(347,558)
569,412	-	569,412
43,314	29,686	73,000
35,873	46,310	82,183
(800,000)	800,000	-
(151,401)	875,996	724,595
(581,469)	958,506	377,037
4,269,727	1,091,099	5,360,826
\$ 3,688,258	\$ 2,049,605	\$ 5,737,863



**HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**DECEMBER 31, 2018**  
(with comparative totals for December 31, 2017)

	General	Housing Assistance	Totals	
			2018	2017
<b>ASSETS</b>				
Cash and investments	\$ 1,775,932	\$ 582,457	\$ 2,358,389	\$ 2,909,029
Accounts receivable	825	7,420	8,245	12,958
Notes receivable	1,076,846	-	1,076,846	1,112,179
Taxes receivable	5,796	-	5,796	6,414
Accrued interest receivable	129,436	-	129,436	121,902
Due from other governments	-	13,018	13,018	9,600
Prepaid items	315	-	315	347
<b>TOTAL ASSETS</b>	<b>\$ 2,989,150</b>	<b>\$ 602,895</b>	<b>\$ 3,592,045</b>	<b>\$ 4,172,429</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 5,845	\$ 4	\$ 5,849	\$ 17,550
Accrued salaries and benefits payable	10,508	9,712	20,220	16,816
Due to other governments	-	5,202	5,202	1,659
Total liabilities	16,353	14,918	31,271	36,025
Deferred inflows of resources:				
Unavailable revenue	1,199,291	15,560	1,214,851	1,248,928
Fund balances:				
Nonspendable				
Prepaid items	315	-	315	347
Restricted for housing projects	1,773,191	572,417	2,345,608	2,887,129
Total fund balances	1,773,506	572,417	2,345,923	2,887,476
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 2,989,150</b>	<b>\$ 602,895</b>	<b>\$ 3,592,045</b>	<b>\$ 4,172,429</b>

**HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

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FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 2,345,923

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 and, therefore, are not reported in the fund statements.

Capital assets	175,169	
Accumulated depreciation	<u>(47,685)</u>	127,484
  
2. Unavailable revenue in governmental funds is susceptible to full accrual on government-wide statements.

	<u>1,214,851</u>	
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NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 3,688,258

**HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**YEAR ENDED DECEMBER 31, 2018**  
**(with comparative totals for year ended December 31, 2017)**

	General	Housing Assistance	Totals	
			2018	2017
REVENUES:				
Property taxes	\$ 569,325	\$ -	\$ 569,325	\$ 564,830
Intergovernmental	6	2,952,994	2,953,000	3,003,347
Charges for services	9,900	-	9,900	9,900
Investment earnings	42,670	644	43,314	38,482
Other revenues	35,873	-	35,873	6,847
Total revenues	<u>657,774</u>	<u>2,953,638</u>	<u>3,611,412</u>	<u>3,623,406</u>
EXPENDITURES:				
Current:				
Public service	<u>418,781</u>	<u>2,934,184</u>	<u>3,352,965</u>	<u>3,410,734</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>238,993</u>	<u>19,454</u>	<u>258,447</u>	<u>212,672</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(800,000)</u>	<u>-</u>	<u>(800,000)</u>	<u>(188,000)</u>
NET CHANGE IN FUND BALANCE	(561,007)	19,454	(541,553)	24,672
FUND BALANCES AT BEGINNING OF YEAR	<u>2,334,513</u>	<u>552,963</u>	<u>2,887,476</u>	<u>2,862,804</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,773,506</u>	<u>\$ 572,417</u>	<u>\$ 2,345,923</u>	<u>\$ 2,887,476</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, 2018**

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NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (541,553)

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)
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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.

	<u>(34,077)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (581,469)

**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, 2018**  
(with comparative actual amounts for year ended December 31, 2017)

	2018		Variance with Final Budget	2017
	Original and Final Budget	Actual		Actual
REVENUES:				
Property taxes	\$ 574,369	\$ 569,325	\$ (5,044)	\$ 564,830
Intergovernmental	-	6	6	7
Charges for services	9,900	9,900	-	9,900
Investment earnings	25,000	42,670	17,670	38,240
Other revenues	7,500	35,873	28,373	6,847
Total revenues	<u>616,769</u>	<u>657,774</u>	<u>41,005</u>	<u>619,824</u>
EXPENDITURES:				
Public service:				
Personal services	255,651	254,897	754	243,159
Materials and supplies	700	1,184	(484)	-
Contractual services:				
Grant awards	-	30,925	(30,925)	-
Other	145,027	131,775	13,252	145,603
Total expenditures	<u>401,378</u>	<u>418,781</u>	<u>(17,403)</u>	<u>388,762</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>215,391</u>	<u>238,993</u>	<u>23,602</u>	<u>231,062</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	7,000	-	(7,000)	-
Transfers out	(222,391)	(800,000)	(577,609)	(188,000)
Total other financing sources (uses)	<u>(215,391)</u>	<u>(800,000)</u>	<u>(584,609)</u>	<u>(188,000)</u>
NET CHANGE IN FUND BALANCE	-	(561,007)	(561,007)	43,062
FUND BALANCES AT BEGINNING OF YEAR	<u>2,334,513</u>	<u>2,334,513</u>	<u>-</u>	<u>2,291,451</u>
FUND BALANCES AT END OF YEAR	<u>\$ 2,334,513</u>	<u>\$ 1,773,506</u>	<u>\$ (561,007)</u>	<u>\$ 2,334,513</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, 2018**  
(with comparative actual amounts for year ended December 31, 2017)

	<b>2018</b>			<b>2017</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>	<b>Actual</b>
REVENUES:				
Intergovernmental	\$ 3,114,800	\$ 2,952,994	\$ (161,806)	\$ 3,003,340
Investment earnings	-	644	644	242
Total revenues	<u>3,114,800</u>	<u>2,953,638</u>	<u>(161,162)</u>	<u>3,003,582</u>
EXPENDITURES:				
Public service:				
Personal services	230,168	225,729	4,439	219,805
Materials and supplies	100	79	21	-
Contractual services:				
Housing assistance	2,868,000	2,673,867	194,133	2,763,008
Other	43,996	34,509	9,487	39,159
Total expenditures	<u>3,142,264</u>	<u>2,934,184</u>	<u>208,080</u>	<u>3,021,972</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(27,464)</u>	<u>19,454</u>	<u>46,918</u>	<u>(18,390)</u>
OTHER FINANCING SOURCES:				
Transfers in	<u>27,464</u>	<u>-</u>	<u>(27,464)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	19,454	19,454	(18,390)
FUND BALANCES AT BEGINNING OF YEAR	<u>552,963</u>	<u>552,963</u>	<u>-</u>	<u>571,353</u>
FUND BALANCES AT END OF YEAR	<u>\$ 552,963</u>	<u>\$ 572,417</u>	<u>\$ 19,454</u>	<u>\$ 552,963</u>

**HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA**  
**ENTERPRISE FUNDS**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2018**  
**(with comparative totals for December 31, 2017)**

	<b>Plymouth Towne Square</b>	<b>Vicksburg Crossing</b>	<b>Totals</b>	
			<b>2018</b>	<b>2017</b>
<b><u>ASSETS</u></b>				
Current assets:				
Cash and investments	\$ 906,358	\$ 1,971,270	\$ 2,877,628	\$ 2,191,388
Accounts receivable	454	372	826	1,759
Accrued interest receivable	3,558	2,921	6,479	5,748
Due from City	80,000	-	80,000	80,000
Prepaid items	16,177	17,687	33,864	32,225
Total current assets	<u>1,006,547</u>	<u>1,992,250</u>	<u>2,998,797</u>	<u>2,311,120</u>
Noncurrent assets:				
Capital assets:				
Land	459,247	874,593	1,333,840	1,333,840
Construction in progress	-	-	-	757,489
Buildings	6,844,852	9,025,428	15,870,280	15,079,339
Improvements other than buildings	182,420	238,793	421,213	421,213
Machinery and equipment	459,844	382,845	842,689	831,889
Total capital assets	<u>7,946,363</u>	<u>10,521,659</u>	<u>18,468,022</u>	<u>18,423,770</u>
Less accumulated depreciation	<u>(4,287,647)</u>	<u>(4,257,516)</u>	<u>(8,545,163)</u>	<u>(8,065,471)</u>
Net capital assets	<u>3,658,716</u>	<u>6,264,143</u>	<u>9,922,859</u>	<u>10,358,299</u>
Total noncurrent assets	<u>3,658,716</u>	<u>6,264,143</u>	<u>9,922,859</u>	<u>10,358,299</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 4,665,263</u></b>	<b><u>\$ 8,256,393</u></b>	<b><u>\$ 12,921,656</u></b>	<b><u>\$ 12,669,419</u></b>
<b><u>LIABILITIES</u></b>				
Current liabilities:				
Accounts payable	\$ 19,998	\$ 18,255	\$ 38,253	\$ 31,947
Accrued salaries and benefits payable	2,557	2,422	4,979	4,563
Deposits payable	66,287	68,704	134,991	130,215
Due to other governments	33,612	59,987	93,599	91,111
Unearned revenue	16	-	16	73
Accrued interest payable	12,059	96,792	108,851	114,530
Compensated absences payable	595	5,694	6,289	5,729
Revenue bonds payable	295,000	435,000	730,000	710,000
Total current liabilities	<u>430,124</u>	<u>686,854</u>	<u>1,116,978</u>	<u>1,088,168</u>
Noncurrent liabilities:				
Revenue bonds payable (net of unamortized premiums/discounts)	<u>1,315,013</u>	<u>8,440,060</u>	<u>9,755,073</u>	<u>10,490,152</u>
Total liabilities	<u>1,745,137</u>	<u>9,126,914</u>	<u>10,872,051</u>	<u>11,578,320</u>
<b><u>NET POSITION</u></b>				
Net investment in capital assets	2,048,703	(2,610,917)	(562,214)	(841,853)
Restricted for debt service	136,846	426,863	563,709	570,580
Unrestricted	734,577	1,313,533	2,048,110	1,362,372
Total net position	<u>2,920,126</u>	<u>(870,521)</u>	<u>2,049,605</u>	<u>1,091,099</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b><u>\$ 4,665,263</u></b>	<b><u>\$ 8,256,393</u></b>	<b><u>\$ 12,921,656</u></b>	<b><u>\$ 12,669,419</u></b>

**HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA**  
**ENTERPRISE FUNDS**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEAR ENDED DECEMBER 31, 2018**  
(with comparative totals for year ended December 31, 2017)

	Plymouth Towne Square	Vicksburg Crossing	Totals	
			2018	2017
<b>OPERATING REVENUES:</b>				
Rental revenue	\$ 726,529	\$ 1,243,362	\$ 1,969,891	\$ 1,914,847
Other	39,397	6,913	46,310	9,752
Total operating revenues	<u>765,926</u>	<u>1,250,275</u>	<u>2,016,201</u>	<u>1,924,599</u>
<b>OPERATING EXPENSES:</b>				
Personal services	128,471	130,100	258,571	253,393
Materials and supplies	27,303	27,027	54,330	52,646
Contractual services	461,417	429,562	890,979	746,050
Depreciation	174,421	305,271	479,692	488,598
Total operating expenses	<u>791,612</u>	<u>891,960</u>	<u>1,683,572</u>	<u>1,540,687</u>
OPERATING INCOME (LOSS)	<u>(25,686)</u>	<u>358,315</u>	<u>332,629</u>	<u>383,912</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment earnings	9,091	20,595	29,686	7,494
Amortization	6,319	(1,240)	5,079	5,079
Interest expense	(55,248)	(233,640)	(288,888)	(305,752)
Total nonoperating revenues (expenses)	<u>(39,838)</u>	<u>(214,285)</u>	<u>(254,123)</u>	<u>(293,179)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(65,524)	144,030	78,506	90,733
CAPITAL CONTRIBUTIONS	80,000	-	80,000	80,000
TRANSFERS IN	<u>625,000</u>	<u>175,000</u>	<u>800,000</u>	<u>188,000</u>
CHANGES IN NET POSITION	639,476	319,030	958,506	358,733
NET POSITION AT BEGINNING OF YEAR	<u>2,280,650</u>	<u>(1,189,551)</u>	<u>1,091,099</u>	<u>732,366</u>
NET POSITION AT END OF YEAR	<u>\$ 2,920,126</u>	<u>\$ (870,521)</u>	<u>\$ 2,049,605</u>	<u>\$ 1,091,099</u>



**HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA**  
**ENTERPRISE FUNDS**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2018**  
(with comparative totals for year ended December 31, 2017)

	Plymouth Towne Square	Vicksburg Crossing	Totals	
			2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers or users	\$ 730,315	\$ 1,245,228	\$ 1,975,543	\$ 1,909,965
Payments to suppliers	(482,994)	(455,159)	(938,153)	(796,505)
Payments to employees	(128,350)	(129,245)	(257,595)	(254,009)
Other operating revenue	39,397	6,913	46,310	9,752
Net cash flows from operating activities	<u>158,368</u>	<u>667,737</u>	<u>826,105</u>	<u>869,203</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfers in from other funds	<u>625,000</u>	<u>175,000</u>	<u>800,000</u>	<u>188,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition and construction of capital assets	(44,252)	-	(44,252)	(773,151)
Contributions	80,000	-	80,000	80,000
Principal paid on capital debt	(285,000)	(425,000)	(710,000)	(690,000)
Interest paid on capital debt	(57,386)	(237,181)	(294,567)	(311,269)
Net cash flows from capital and related financing activities	<u>(306,638)</u>	<u>(662,181)</u>	<u>(968,819)</u>	<u>(1,694,420)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment earnings	<u>6,984</u>	<u>21,970</u>	<u>28,954</u>	<u>6,284</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>483,714</u>	<u>202,526</u>	<u>686,240</u>	<u>(630,933)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>422,644</u>	<u>1,768,744</u>	<u>2,191,388</u>	<u>2,822,321</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 906,358</u>	<u>\$ 1,971,270</u>	<u>\$ 2,877,628</u>	<u>\$ 2,191,388</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ (25,686)	\$ 358,315	\$ 332,629	\$ 383,912
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	174,421	305,271	479,692	488,598
Changes in assets and liabilities:				
Accounts receivable	174	759	933	71,976
Due from the City of Plymouth	-	-	-	(80,000)
Prepaid items	(1,246)	(393)	(1,639)	6,483
Accounts payable	5,042	1,265	6,307	(5,091)
Accrued salaries payable	83	333	416	781
Deposits payable	3,660	1,116	4,776	4,467
Due to other governments	1,930	558	2,488	799
Unearned revenue	(48)	(9)	(57)	(1,325)
Compensated absences payable	38	522	560	(1,397)
Total adjustments	<u>184,054</u>	<u>309,422</u>	<u>493,476</u>	<u>485,291</u>
Net cash flows from operating activities	<u>\$ 158,368</u>	<u>\$ 667,737</u>	<u>\$ 826,105</u>	<u>\$ 869,203</u>

**CITY OF PLYMOUTH, MINNESOTA  
HOUSING AND REDEVELOPMENT AUTHORITY - HOUSING CHOICE VOUCHERS  
FINANCIAL DATA SCHEDULE  
BALANCE SHEET  
DECEMBER 31, 2018**

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**ASSETS**

Current assets:

111	Cash - unrestricted	\$	560,205
113	Cash - other restricted		17,841
121	Accounts receivable - PHA projects		4,878
128	Fraud recovery		15,560
190	Total assets		<u>\$ 598,484</u>

**LIABILITIES**

Current liabilities:

312	Accounts payable <= 90 days	\$	4
321	Accrued wage/payroll taxes payable		9,712
332	Accounts payable - PHA projects		791
300	Total liabilities		<u>10,507</u>

**NET POSITION**

511.4	Restricted net position		37,488
512.4	Unrestricted net position		<u>550,489</u>
513	Total net position		<u>587,977</u>
600	Total liabilities, deferred inflows of resources and net position	\$	<u>598,484</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, 2018**

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REVENUES:	
70600 HUD PHA operating grants	\$ 1,865,987
71100 Investment Income - unrestricted	644
71400 Fraud recovery	6,577
71500 Other revenue	980,530
70000 Total revenue	<u>2,853,738</u>
OPERATING EXPENSES:	
Administrative:	
91100 Administrative salaries	178,114
91200 Auditing fees	7,324
91500 Employee benefit contributions - administrative	47,614
91600 Office expenses	10,329
91800 Travel	9
91900 Other	3,860
91000 Total administrative	<u>247,250</u>
General expenses:	
96140 All other insurance	798
96100 Total insurance premium	<u>798</u>
Other general expenses:	
96200 Other general expenses	12,415
96900 Total operating expenses	<u>260,463</u>
EXCESS (DEFICIENCY) OF OPERATING REVENUES OVER (UNDER) OPERATING EXPENSES	2,593,275
OTHER EXPENSES:	
97300 Housing assistance payments	1,662,619
97350 HAP Portability-In	917,375
90000 Total expenses	<u>2,840,457</u>
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES	13,281
NET POSITION AT BEGINNING OF YEAR	<u>574,696</u>
NET POSITION AT END OF YEAR	<u>\$ 587,977</u>
MEMO ACCOUNT INFORMATION:	
11170 Administrative fee equity	550,489
11180 Housing assistance payments equity	37,488
Total net position	<u>\$ 587,977</u>
11190 Unit months available	2,520
11210 Number of unit months leased	2,543

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, 2018**

---

**ASSETS**

Current assets:

113	Cash - other restricted	\$ 4,411
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**LIABILITIES**

Current liabilities:

331	Accounts payable - HUD PHA programs	\$ 4,411
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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, 2018**

---

REVENUES:	
70600 HUD PHA operating grants	<u>\$ 93,727</u>
OPERATING EXPENSES:	
Administrative:	
91600 Office expenses	<u>12,269</u>
96900 Total operating expenses	<u>12,269</u>
EXCESS (DEFICIENCY) OF OPERATING REVENUES OVER (UNDER) OPERATING EXPENSES	81,458
OTHER EXPENSES:	
97300 Housing assistance payments	<u>81,458</u>
90000 Total expenses	<u>93,727</u>
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES	-
NET POSITION AT BEGINNING OF YEAR	<u>-</u>
NET POSITION AT END OF YEAR	<u><u>\$ -</u></u>
MEMO ACCOUNT INFORMATION:	
11190 Unit months available	180
11210 Number of unit months leased	173

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, 2018**

**ASSETS**

Current assets:

111	Cash - unrestricted	\$ 1,775,932
124	Accounts receivable - other government	5,796
125	Accounts receivable - miscellaneous	825
129	Accrued interest receivable	129,436
142	Prepaid expenses and other assets	315
150	Total current assets	<u>1,912,304</u>

Non-current assets:

162	Buildings	175,169
166	Accumulated depreciation	(47,685)
171	Notes, loans, and mortgages receivable - non-current	<u>1,076,846</u>
180	Total non-current assets	<u>1,204,330</u>
190	Total assets	<u>\$ 3,116,634</u>

**LIABILITIES**

Current liabilities:

312	Accounts payable <= 90 days	\$ 5,845
321	Accrued wage/payroll taxes payable	<u>10,508</u>
300	Total liabilities	<u>16,353</u>

**NET POSITION**

508.4	Net investment in capital assets	127,484
512.4	Unrestricted net position	<u>2,972,797</u>
513	Total net position	<u>3,100,281</u>
600	Total liabilities and net position	<u>\$ 3,116,634</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, 2018**

REVENUES:

71100	Investment income - unrestricted	\$ 42,670
71500	Other revenue	<u>587,200</u>
70000	Total revenue	<u>629,870</u>

OPERATING EXPENSES:

Administrative:

91100	Administrative salaries	202,401
91200	Auditing fees	1,832
91500	Employee benefit contributions - administrative	52,496
91600	Office expenses	26,486
91700	Legal expense	12,686
91900	Other	<u>6,160</u>
91000	Total administrative	<u>302,061</u>

Ordinary maintenance and operations:

94200	Materials and other	1,184
94300	Contracts	<u>3,831</u>
94000	Total maintenance	<u>5,015</u>

General expenses:

96140	All other insurance	<u>710</u>
96100	Total insurance premium	710

Other general expenses:

96200	Other general expenses	<u>110,995</u>
96900	Total operating expenses	<u>418,781</u>

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

211,089

OTHER EXPENSES:

97400	Depreciation	<u>5,839</u>
90000	Total expenses	<u>424,620</u>

OTHER FINANCING SOURCES (USES):

10020	Operating transfers out	<u>(800,000)</u>
10100	Total other financing sources (uses)	<u>(800,000)</u>

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

(594,750)

NET POSITION AT BEGINNING OF YEAR

3,695,031

NET POSITION AT END OF YEAR

\$ 3,100,281

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, 2018**

**ASSETS**

Current assets:

114	Cash - tenant security deposit	\$ 137,086
131	Investments - unrestricted	1,446,832
132	Investments - restricted	563,709
135	Investments - restricted for payment of current liabilities	730,000
124	Accounts receivable - other government	80,000
125	Accounts receivable - miscellaneous	604
126	Accounts receivable - tenants	222
129	Accrued interest receivable	6,479
142	Prepaid expenses and other assets	<u>33,865</u>
150	Total current assets	<u>2,998,797</u>

Non-current assets:

161	Land	1,333,840
162	Buildings	16,291,493
163	Furniture, equipment & machinery - dwellings	812,253
164	Furniture, equipment & machinery - administration	30,436
166	Accumulated depreciation	<u>(8,545,163)</u>
180	Total non-current assets	<u>9,922,859</u>
190	Total assets	<u><u>\$ 12,921,656</u></u>

**LIABILITIES**

Current liabilities:

312	Accounts payable <= 90 days	\$ 38,253
321	Accrued wage/payroll taxes payable	4,979
322	Accrued compensated absences - current portion	6,289
325	Accrued interest payable	108,851
333	Accounts payable - other government	93,599
341	Tenant security deposit	134,991
342	Unearned revenue	16
343	Current portion of long-term debt - capital projects and mortgage revenue bonds	<u>730,000</u>
310	Total current liabilities	<u>1,116,978</u>

Noncurrent liabilities:

351	Long-term debt, net of current - capital projects and mortgage revenue bonds	<u>9,755,073</u>
300	Total liabilities	<u>10,872,051</u>

**NET POSITION**

508.4	Net investment in capital assets	(562,214)
511.4	Restricted net position	563,709
512.4	Unrestricted net position	<u>2,048,110</u>
513	Total net position	<u>2,049,605</u>
600	Total liabilities and net position	<u><u>\$ 12,921,656</u></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, 2018**

---

REVENUES:

70300	Net tenant rental revenue	\$ 1,871,969
70400	Tenant revenue - other	<u>97,922</u>
70500	Total tenant revenue	1,969,891
71100	Investment income - unrestricted	20,436
71500	Other revenue	126,310
72000	Investments income - restricted	<u>9,250</u>
70000	Total revenue	<u>2,125,887</u>

OPERATING EXPENSES:

Administrative:		
91100	Administrative salaries	117,472
91200	Auditing fees	1,644
91300	Management fee	110,160
91400	Advertising and marketing	1,045
91500	Employee benefit contributions - administrative	49,341
91600	Office expenses	<u>32,000</u>
91000	Total administrative	311,662
Tenant services:		
92400	Other	13,685
Utilities:		
93100	Water	36,756
93200	Electricity	46,414
93300	Gas	<u>43,403</u>
93000	Total utilities	126,573
Ordinary maintenance and operations:		
94100	Labor	89,888
94200	Materials and other	40,527
94300	Contracts	<u>471,578</u>
94000	Total maintenance and operations	601,993
General expenses:		
96110	Property insurance	56,369
Other general expenses:		
96300	Payments in lieu of taxes	93,598
Interest expense:		
96710	Interest on mortgage (or bonds) payable	288,888
96730	Amortization of bond issue costs	<u>(5,079)</u>
96700	Total interest expense and amortization costs	<u>283,809</u>
96900	Total operating expenses	<u>1,487,689</u>

(Continued...)

**CITY OF PLYMOUTH, MINNESOTA  
HOUSING AND REDEVELOPMENT AUTHORITY - BUSINESS ACTIVITIES  
FINANCIAL DATA SCHEDULE  
INCOME STATEMENT  
YEAR ENDED DECEMBER 31, 2018**

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(Continued from previous page)

EXCESS (DEFICIENCY) OF OPERATING REVENUES OVER (UNDER) OPERATING EXPENSES	638,198
OTHER EXPENSES:	
97400 Depreciation	<u>479,692</u>
90000 Total expenses	<u>1,967,381</u>
OTHER FINANCING SOURCES (USES):	
10010 Operating transfers in	<u>800,000</u>
10100 Total other financing sources (uses)	<u>800,000</u>
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES	958,506
NET POSITION AT BEGINNING OF YEAR	<u>1,091,099</u>
NET POSITION AT END OF YEAR	<u><u>\$ 2,049,605</u></u>
MEMO ACCOUNT INFORMATION:	
11020 Required annual debt principal payments	\$ 710,000
11190 Unit months available	2,340
11210 Number of unit months leased	2,289

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, 2018**

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**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  
STATISTICAL SECTION (UNAUDITED)**

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This part of the City of Plymouth, Minnesota's (the City) Comprehensive Annual Financial Report (CAFR) presents detailed information as a context for understanding what the information in the financial statements, not disclosures, and required supplementary information says about the City's overall financial health.

**Contents**

**Financial Trends**

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

**Revenue Capacity**

These schedules contain information to help the reader assess the City's most significant revenue source, including property tax revenue.

**Debt Capacity**

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

**Demographic and Economic Information**

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

**Operating Indicators**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's CAFR relates to the services the City provides and the activities it performs.

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

	<b>Fiscal Year</b>									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 154,183	\$ 155,551	\$ 161,820	\$ 166,158	\$ 166,354	\$ 188,060	\$ 192,834	\$ 223,538	\$ 224,669	\$ 234,395
Restricted	5,615	5,744	16,127	16,637	17,234	13,365	24,401	25,313	23,182	25,663
Unrestricted	76,294	79,792	76,773	79,439	83,007	88,808	76,392	59,654	64,680	67,360
Total government activities net position	<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>	<u>\$ 312,531</u>	<u>\$ 327,418</u>
Business-type activities										
Net investment in capital assets	\$ 92,630	\$ 92,171	\$ 98,947	\$ 101,819	\$ 106,156	\$ 108,738	\$ 109,940	\$ 121,172	\$ 130,912	\$ 137,396
Restricted	18,876	20,833	22,515	24,362	26,906	27,846	24,095	19,850	22,209	20,626
Unrestricted	15,756	13,541	12,781	12,870	9,382	8,231	9,127	8,249	8,173	10,261
Total business-type activities net position	<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>	<u>\$ 161,294</u>	<u>\$ 168,283</u>
Primary government										
Net investment in capital assets	\$ 246,813	\$ 247,722	\$ 260,767	\$ 267,977	\$ 272,510	\$ 296,798	\$ 302,774	\$ 344,710	\$ 355,581	\$ 371,791
Restricted	24,491	26,577	38,642	40,999	44,140	41,211	48,496	45,163	45,391	46,289
Unrestricted	92,050	93,333	89,554	92,309	92,389	97,039	85,519	67,903	72,853	77,621
Total primary government net position	<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>	<u>\$ 473,825</u>	<u>\$ 495,701</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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Governmental activities:										
General government	\$ 4,979	\$ 4,733	\$ 4,300	\$ 4,736	\$ 4,483	\$ 4,743	\$ 5,836	\$ 7,742	\$ 6,596	\$ 6,916
Economic development	-	226	353	354	345	653	679	724	2,178	882
Parks and recreation	7,498	7,977	8,115	8,044	7,987	8,427	8,833	9,216	9,206	9,630
Public safety	14,214	14,296	13,714	14,310	15,311	16,111	16,815	22,203	19,476	19,495
Public service	4,323	5,102	4,431	4,020	4,310	4,131	4,410	4,669	5,147	5,431
Public works	10,876	10,615	11,936	12,189	12,164	12,700	13,610	12,253	16,642	15,345
Interest on long-term debt	757	648	636	808	624	592	553	301	272	234
Total governmental activities expenses	<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>	<u>59,517</u>	<u>57,933</u>
Business-type activities:										
Water sewer utility	14,789	14,234	14,497	15,045	15,404	15,664	17,384	16,869	15,622	16,217
Ice center	1,623	1,669	1,726	1,695	1,734	1,708	1,717	1,906	1,901	1,974
Water resources	2,086	1,829	1,818	1,932	1,966	1,996	2,751	2,660	2,303	2,661
Solid waste management	944	1,049	1,055	900	916	922	1,060	1,082	1,087	1,089
Field house	293	255	230	236	310	324	284	292	287	312
Total business-type activities expenses	<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>	<u>21,200</u>	<u>22,253</u>
Total primary government expenses	<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>	<u>\$ 80,717</u>	<u>\$ 80,186</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 333	\$ 469	\$ 539	\$ 423	\$ 487	\$ 416	\$ 487	\$ 1,470	\$ 1,443	\$ 1,564
Economic development	-	7	7	-	-	-	-	-	-	-
Parks and recreation	1,312	1,461	1,519	1,582	1,525	1,599	1,520	1,989	1,534	2,081
Public safety	2,176	2,385	3,884	3,705	4,032	4,516	5,641	4,434	4,211	4,428
Public service	1,009	953	1,078	979	895	1,007	994	1,019	1,055	1,155
Public works	576	1,503	1,935	1,479	1,644	2,833	1,910	2,701	1,171	1,553
Operating grants and contributions	7,118	6,910	5,579	7,770	7,858	9,405	9,393	9,434	10,241	10,795
Capital grants and contributions	2,138	3,578	9,094	4,582	5,525	15,343	9,871	14,970	9,268	10,240
Total governmental activities program revenues	<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>	<u>\$ 28,923</u>	<u>\$ 31,816</u>



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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business-type activities:										
Charges for services:										
Water sewer utility	\$ 13,089	\$ 12,950	\$ 13,546	\$ 14,238	\$ 15,059	\$ 14,354	\$ 15,315	\$ 15,314	\$ 17,019	\$ 17,915
Ice center	1,406	1,401	1,407	1,465	1,471	1,508	1,603	1,608	1,537	1,648
Water resources	2,547	2,591	2,562	2,573	2,619	2,705	2,816	3,045	3,251	3,505
Solid waste management	411	710	941	632	523	498	519	596	764	757
Field house	364	369	348	335	393	378	392	376	389	419
Operating grants and contributions	236	1,087	372	329	446	327	378	629	262	255
Capital grants and contributions	589	778	10,564	5,036	2,417	3,970	1,987	6,200	5,208	5,467
Total business-type activities program revenues	18,642	19,886	29,740	24,608	22,928	23,740	23,010	27,768	28,430	29,966
Total primary government program revenues	\$ 33,304	\$ 37,152	\$ 53,375	\$ 45,128	\$ 44,894	\$ 58,859	\$ 52,826	\$ 63,785	\$ 57,353	\$ 61,782
<b>Net (expense) revenue</b>										
Governmental activities	\$ (27,985)	\$ (26,331)	\$ (19,850)	\$ (23,941)	\$ (23,258)	\$ (12,238)	\$ (20,920)	\$ (21,091)	\$ (30,594)	\$ (26,117)
Business-type activities	(1,094)	850	10,414	4,800	2,598	3,126	(186)	4,959	7,230	7,713
Total primary government	\$ (29,078)	\$ (25,481)	\$ (9,436)	\$ (19,141)	\$ (20,660)	\$ (9,112)	\$ (21,106)	\$ (16,132)	\$ (23,364)	\$ (18,404)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 29,057	\$ 28,581	\$ 28,551	\$ 29,256	\$ 29,695	\$ 30,038	\$ 31,108	\$ 32,191	\$ 33,824	\$ 35,375
Franchise fees	-	-	-	-	-	-	2,631	2,164	2,211	2,297
Investment earnings	732	361	1,704	1,109	(1,594)	3,448	1,644	1,116	1,472	1,889
Gain on sale of capital assets	102	81	-	133	91	144	83	39	111	122
Other	195	348	12	233	290	326	432	993	1,197	868
Transfers	(485)	1,954	3,216	724	(863)	1,920	(299)	(534)	(4,195)	1,379
Total governmental activities	29,602	31,325	33,483	31,455	27,619	35,876	35,599	35,969	34,620	41,930
Business-type activities:										
Investment earnings	571	366	489	671	(68)	1,165	676	616	598	655
Other	85	21	11	61	-	-	-	-	-	-
Transfers	485	(1,954)	(3,216)	(724)	863	(1,920)	299	534	4,195	(1,379)
Total business-type activities	1,142	(1,567)	(2,716)	8	795	(755)	975	1,150	4,793	(724)
Total primary government	\$ 30,743	\$ 29,758	\$ 30,767	\$ 31,463	\$ 28,414	\$ 35,121	\$ 36,574	\$ 37,119	\$ 39,413	\$ 41,206
<b>Change in Net Position</b>										
Governmental activities	\$ 1,617	\$ 4,994	\$ 13,633	\$ 7,514	\$ 4,361	\$ 23,638	\$ 14,679	\$ 14,878	\$ 4,026	\$ 15,813
Business-type activities	48	(717)	7,698	4,808	3,393	2,371	789	6,109	12,023	6,989
Total primary government	\$ 1,665	\$ 4,277	\$ 21,331	\$ 12,322	\$ 7,754	\$ 26,009	\$ 15,468	\$ 20,987	\$ 16,049	\$ 22,802

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

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<u>Fiscal Year</u>	<u>Property Taxes</u>
2009	\$ 29,057
2010	28,581
2011	28,551
2012	29,256
2013	29,695
2014	30,038
2015	31,108
2016	32,191
2017	33,824
2018	35,375

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

	<b>Fiscal Year</b>									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General fund										
Nonspendable	\$ 7	\$ 6	\$ 10	\$ 62	\$ 37	\$ 474	\$ 69	\$ 81	\$ 69	\$ 97
Assigned	246	585	633	447	518	689	180	160	57	80
Unassigned	11,478	11,246	11,365	11,814	12,234	12,240	14,349	14,836	15,710	16,509
Total general fund	<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>	<u>\$ 15,836</u>	<u>\$ 16,686</u>
All other governmental funds										
Nonspendable	\$ 46	\$ 46	\$ 46	\$ 52	\$ 51	\$ 60	\$ 54	\$ 53	\$ 54	\$ 48
Restricted	16,777	14,515	15,289	19,475	20,227	16,233	19,065	20,422	17,822	20,048
Assigned	33,505	34,137	38,214	41,654	43,961	48,901	48,915	34,509	39,427	40,283
Unassigned	(1)	(1)	(1)	-	-	(542)	-	-	-	-
Total all other governmental funds	<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>	<u>57,303</u>	<u>60,379</u>
Total Governmental Funds	<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>	<u>\$ 73,139</u>	<u>\$ 77,065</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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Property taxes	\$ 29,037	\$ 28,633	\$ 28,547	\$ 29,336	\$ 29,721	\$ 30,017	\$ 31,184	\$ 32,100	\$ 33,974	\$ 35,359
Special assessments	128	86	88	92	82	76	36	20	32	28
Licenses and permits	2,272	2,466	3,242	3,942	4,232	5,078	5,954	4,643	4,982	4,583
Intergovernmental	7,687	8,399	6,809	4,923	5,658	13,181	11,569	15,138	11,772	10,789
Charges for services	3,422	4,061	4,635	4,235	4,483	4,840	4,680	6,212	5,263	5,801
Franchise fees	-	-	-	-	-	839	2,631	2,164	2,211	2,297
Fines and forfeitures	798	733	878	847	683	606	636	444	539	520
Contributions	92	1,151	1,476	897	2,178	1,301	3,582	2,157	2,365	2,603
Investment earnings	568	290	1,234	831	(1,093)	2,525	1,225	853	997	1,290
Loan repayments	5	7	7	7	7	8	8	8	8	8
Other revenue	227	333	262	207	226	291	389	946	1,181	831
<b>Total Revenue</b>	<b>44,236</b>	<b>46,159</b>	<b>47,178</b>	<b>45,317</b>	<b>46,177</b>	<b>58,762</b>	<b>61,894</b>	<b>64,685</b>	<b>63,324</b>	<b>64,109</b>
<b>Expenditures</b>										
General government	4,103	4,365	4,177	4,627	4,579	4,492	5,598	7,348	6,391	6,704
Economic development	-	226	953	354	346	673	690	694	2,161	903
Parks and recreation	6,300	6,621	6,744	6,815	6,821	7,314	7,624	7,708	7,737	8,234
Public safety	13,511	13,856	13,478	14,173	15,014	15,913	16,720	17,801	18,942	20,096
Public service	4,449	4,017	4,248	3,892	4,139	4,021	4,284	4,545	5,016	5,318
Public works	4,155	5,065	5,118	4,873	5,184	5,353	6,223	4,864	8,309	6,057
Interest on interfund advances	39	27	76	56	51	45	56	64	54	44
Debt service:										
Principal retirement	1,690	1,920	1,445	1,915	1,320	1,345	1,810	995	2,595	1,000
Interest and fiscal charges	759	682	652	649	727	646	601	408	348	288
Bond issuance costs	49	37	-	-	-	-	63	-	-	-
Capital outlay	7,636	11,909	10,289	8,255	7,788	23,691	15,773	35,874	12,020	16,631
<b>Total Expenditures</b>	<b>42,691</b>	<b>48,725</b>	<b>47,180</b>	<b>45,609</b>	<b>45,969</b>	<b>63,493</b>	<b>59,442</b>	<b>80,301</b>	<b>63,573</b>	<b>65,275</b>
Excess of revenues over (under) expenditures	1,545	(2,566)	(2)	(292)	208	(4,731)	2,452	(15,616)	(249)	(1,166)

**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)**

	<b>Fiscal Year</b>									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Other financing sources (uses)</b>										
Transfers in	\$ 8,505	\$ 16,611	\$ 16,988	\$ 12,006	\$ 12,377	\$ 30,790	\$ 24,202	\$ 27,623	\$ 25,585	\$ 17,801
Transfers out	(8,449)	(14,658)	(11,965)	(8,926)	(9,061)	(25,033)	(20,918)	(24,577)	(22,258)	(12,709)
Bonds issued	3,935	2,990	-	4,815	-	-	3,295	-	-	-
Premium (discount) on debt	69	49	-	345	-	-	121	-	-	-
Payment on refunded bonds	-	(3,950)	-	-	-	-	(4,575)	-	-	-
Total other financing sources (uses)	<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>	<u>3,327</u>	<u>5,092</u>
Net change in fund balances	<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>	<u>\$ 3,078</u>	<u>\$ 3,926</u>
Capitalized expenditures	\$ 6,141	\$ 11,909	\$ 10,289	\$ 8,255	\$ 8,005	\$ 23,860	\$ 15,963	\$ 36,323	\$ 12,444	\$ 16,879
Debt service as a percentage of noncapital expenditures	6.70%	7.07%	5.68%	6.86%	5.39%	5.02%	5.55%	3.19%	5.76%	2.66%

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

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<u>Fiscal Year</u>	<u>Property Taxes</u>
2009	\$ 29,037
2010	28,633
2011	28,547
2012	29,336
2013	29,721
2014	30,017
2015	31,184
2016	32,100
2017	33,974
2018	35,359

**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)

	<b>FISCAL YEAR</b>									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Population (1)	72,268	70,576	71,263	72,644	72,969	73,633	74,592	75,452	76,882	78,351
Real Property										
Assessed/tax capacity value	\$ 122,107	\$ 116,187	\$ 108,748	\$ 103,968	\$ 103,542	\$ 105,159	\$ 112,282	\$ 117,851	\$ 127,423	\$ 134,893
Estimated market value	\$ 10,012,350	\$ 9,548,268	\$ 8,973,492	\$ 8,802,943	\$ 8,704,104	\$ 8,872,822	\$ 9,510,688	\$ 9,966,663	\$ 10,707,728	\$ 11,258,884
Personal Property										
Assessed/tax capacity value	\$ 942	\$ 944	\$ 1,021	\$ 1,071	\$ 1,219	\$ 1,296	\$ 1,378	\$ 1,466	\$ 1,633	\$ 1,799
Estimated market value	\$ 47,640	\$ 47,820	\$ 51,696	\$ 54,454	\$ 61,736	\$ 65,587	\$ 69,647	\$ 74,290	\$ 82,544	\$ 90,789
Total Real and Personal Property										
Assessed/tax capacity value	\$ 123,048	\$ 117,131	\$ 109,769	\$ 105,039	\$ 104,761	\$ 106,455	\$ 113,660	\$ 119,317	\$ 129,056	\$ 136,692
Estimated market value	\$ 10,059,990	\$ 9,596,088	\$ 9,025,188	\$ 8,857,397	\$ 8,765,840	\$ 8,938,409	\$ 9,580,335	\$ 10,040,953	\$ 10,790,272	\$ 11,349,673
Total direct tax rate (2)	24.86	26.01	27.49	28.72	29.81	30.12	28.38	27.84	26.96	26.80

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
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
2017	26.48	0.48	26.96	44.09	9.33	25.61	26.73	31.61	26.29	0.40	1.74	0.90	0.27
2018	26.34	0.46	26.80	42.81	8.97	29.04	24.92	31.96	25.46	0.31	1.69	0.88	0.08

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	2018			2009		
	Tax Capacity Value	Rank	Percentage of Total Tax Capacity Value	Tax Capacity Value	Rank	Percentage of Total Tax Capacity Value
TFP Reva Wildamere PCC LLC	\$ 1,067	1	0.78%	\$ -	-	-
IRET Properties Et Al	975	2	0.71%	-	-	-
LCS-Westminster Prtshp V LLP	948	3	0.69%	-	-	-
St Paul Properties Inc	945	4	0.69%	1,248	2	1.02%
Talcott III Atria LLC	917	5	0.67%	849	6	0.69%
Stoneleigh Apartments LLC	802	6	0.59%	-	-	-
HSRE-WH MOB LLC	762	7	0.56%	-	-	-
505 Waterford LLC	731	8	0.53%	-	-	-
MFREVF II - Maple Grove LLC	675	9	0.49%	-	-	-
G&I VIII 605 Waterford LLC	660	10	0.48%	-	-	-
Carlson Companies	-	-	-	2,292	1	1.88%
CSM Equities	-	-	-	1,224	3	1.00%
United Properties	-	-	-	963	4	0.79%
Plymouth Properties Realty	-	-	-	917	5	0.75%
Liberty Property Ltd. Partnership	-	-	-	822	7	0.67%
Bigos	-	-	-	695	8	0.57%
James Campbell Estate aka F E Trotter	-	-	-	670	9	0.55%
Park Place Portfolio	-	-	-	593	10	0.49%
	<u>\$ 8,482</u>		<u>6.19%</u>	<u>\$ 10,273</u>		<u>8.41%</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
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%	164	28,575	99.47%
2013	29,185	28,870	98.92%	163	29,033	99.48%
2014	29,770	29,511	99.13%	103	29,614	99.48%
2015	30,365	30,298	99.78%	61	30,359	99.98%
2016	31,273	30,966	99.02%	178	31,144	99.59%
2017	32,805	32,391	98.74%	2	32,393	98.74%
2018	34,347	33,977	98.92%	-	33,977	98.92%

**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			
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	0.46%	218
2017	9,144	-	1,493	2,214	12,851	0.34%	167
2018	8,303	-	1,292	1,193	10,788	0.27%	138

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)
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%	187
2017	12,851	2,012	10,839	0.10%	141
2018	10,788	2,290	8,498	0.07%	108

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, 2018**  
**(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	\$ 1,225,230	7.6%	\$ 80,007
ISD #270 (Hopkins)	181,265	3.5%	6,218
ISD #279 (Osseo)	206,090	9.9%	10,254
ISD #281 (Robbinsdale)	193,066	23.9%	45,319
IDS #284 (Wayzata)	220,160	56.0%	117,312
Metropolitan Council	1,549,088	3.6%	2,732
Three Rivers Park District	66,300	10.6%	4,610
Hennepin County Regional Railroad Auth.	29,865	10.6%	<u>2,603</u>
Subtotal, overlapping debt			<u>269,055</u>
City of Plymouth direct debt			<u>9,595</u>
Total direct and overlapping debt			<u><u>\$ 278,650</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)**

	<b>Fiscal Year</b>									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 301,800	\$ 287,883	\$ 270,756	\$ 265,722	\$ 262,975	\$ 268,152	\$ 287,410	\$ 301,229	\$ 323,708	\$ 340,490
Total net debt applicable to limit	9,827	11,605	10,388	8,844	8,274	7,690	10,183	9,435	7,218	5,745
Legal debt margin	<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>	<u>\$ 316,490</u>	<u>\$ 334,745</u>
Total net debt applicable to the limit as a percentage of debt limit	3.26%	4.03%	3.84%	3.33%	3.15%	2.87%	3.54%	3.13%	2.23%	1.69%

**Legal Debt Margin Calculation for Fiscal Year 2017**

Estimated market value	\$ 11,349,673
Debt limit (3% of estimated market value)	340,490
Debt applicable to limit:	
Open Space Bonds 2010A	1,770
Refunding Bonds 2012A	3,405
Open Space Bonds 2015A	2,860
Less: Amount set aside for repayment of general obligation debt	<u>(2,290)</u>
Total net debt applicable to limit	<u>5,745</u>
Legal debt margin	<u>\$ 334,745</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		
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	-	-	-	-	
2017	17,535	11,872	5,663	965	31	5.69	-	-	-	-	
2018	18,461	12,483	5,978	990	2	6.03	-	-	-	-	

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)
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	3,459,204	46,948	51,613	2.6%
2015	74,592	3,556,053	47,130	51,697	3.0%
2016	76,882	3,774,752	49,098	52,169	2.4%
2017	78,351	3,941,682	50,308	52,677	2.2%

- 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	2018			2009		
	Employees	Rank	Percentage of Total Plymouth Employment	Employees	Rank	Percentage of Total Plymouth Employment
Prudential Financial	3,000	1	5.62%	673	5	1.71%
Zayo Group	2,000	2	3.75%	-	-	-
I.S.D. No. 284 (Wayzata)	1,235	3	2.31%	1,760	2	4.48%
Medtronic	1,001	4	1.88%	-	-	-
TCF Bank	1,000	5	1.87%	-	-	-
Aimia	1,000	5	1.87%	-	-	-
Meritain Health	600	7	1.12%	-	-	-
Minnesota Rubber & Plastics	500	8	0.94%	-	-	-
U.S. Foods	500	8	0.94%	-	-	-
Miracle-Ear Inc	450	10	0.84%	-	-	-
Boston Scientific	-	-	-	3,000	1	7.64%
Carlson Companies	-	-	-	1,600	3	4.07%
Honeywell	-	-	-	1,377	4	3.50%
EV3, Inc.	-	-	-	561	6	1.43%
Select Comfort	-	-	-	475	7	1.21%
Nilfisk-Advance, Inc.	-	-	-	399	8	1.02%
Turck, Inc.	-	-	-	358	9	0.91%
City of Plymouth	-	-	-	271	10	0.69%
	<u>11,286</u>		<u>21.14%</u>	<u>10,474</u>		<u>26.66%</u>

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

Sources: City Economic Development Division

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

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Administration	10	11	8	9	8	8	12	12	12	12
Assessing	6	7	7	7	7	-	-	-	-	-
Finance	14	13	10	12	12	11	9	9	8	8
Inspection	12	12	10	11	11	11	12	12	11	10
Planning	11	11	11	11	11	12	12	12	12	12
Information Technology	7	7	5	6	6	6	6	6	6	6
Economic Development										
Administration	-	-	-	-	-	-	-	-	1	1
Parks										
Administration	5	9	9	9	9	9	10	10	10	10
Park Maintenance	26	21	20	20	19	20	22	23	22	23
Plymouth Creek	6	5	5	5	5	5	5	5	5	5
Ice Center	5	4	5	5	5	5	4	4	4	4
Public Safety										
Police- Sworn	70	66	68	64	67	71	71	73	78	80
Police - Civilian	16	17	15	16	17	17	13	16	14	15
Fire Prevention	2	-	-	-	-	-	-	-	-	-
Full Time Fire Fighters	6	6	6	6	6	6	6	7	12	14
Public Works										
Engineering	17	13	13	10	9	11	11	11	9	7
Streets	19	13	13	13	13	15	16	14	15	15
Central Equipment	4	5	5	6	6	6	5	7	6	6
Recycling Administration	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	3	2	2	2	1	1	2
Public Service										
House and Development	6	3	3	3	2	2	2	2	2	2
Sewer/Water	23	23	23	23	24	25	22	24	22	23
Transit	2	1	1	1	1	-	-	1	1	1
	<u>271</u>	<u>252</u>	<u>242</u>	<u>242</u>	<u>241</u>	<u>243</u>	<u>241</u>	<u>249</u>	<u>252</u>	<u>256</u>

Sources: City human resources records.

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Police</b>										
Medical calls	2,962	3,257	3,284	3,417	3,564	3,765	3,892	4,043	4,267	4,339
Traffic incidents	15,771	16,380	20,318	17,632	16,161	14,473	14,186	10,965	15,951	16,638
Citations	11,313	11,072	13,729	10,925	11,712	10,140	11,580	7,113	9,659	8,606
Other	17,118	17,398	13,582	14,254	12,831	13,982	15,063	20,477	17,688	16,267
<b>Fire</b>										
Inspections	1,629	1,007	1,221	1,093	1,070	1,191	1,488	1,305	1,112	874
Fire calls - Fire	182	162	161	164	123	165	182	203	193	185
Fire calls - Pressure rupture/explosion	7	6	8	5	11	5	11	6	7	7
Fire calls - Rescue & EMS	153	172	194	207	208	235	222	234	341	323
Fire calls - Hazardous condition	145	202	152	141	185	128	129	159	135	192
Fire calls - Service calls	112	135	148	144	146	165	115	159	227	240
Fire calls - Good intent	302	377	411	347	378	381	386	394	336	441
Fire calls - False alarm/call	347	348	455	362	452	440	433	367	410	443
Fire calls - Severe weather/disaster	1	3	2	1	1	2	-	-	1	1
Fire calls - Special incidents	-	3	1	-	-	-	-	1	1	2
<b>Inspections</b>										
Permit related	14,568	18,036	18,043	19,641	17,750	20,370	23,468	21,098	21,433	21,639
Non-permit related	7,627	2,185	2,240	2,556	2,564	2,595	2,244	2,005	1,874	1,855
<b>Recreation</b>										
Hours of ice time	6,801	7,166	7,315	6,847	6,784	6,889	6,902	6,713	6,235	8,882
Number of programs	1,908	2,011	2,003	2,079	2,146	2,113	2,150	2,191	1,615	2,085
Plymouth Creek Center rentals	3,757	3,956	4,218	4,068	4,086	4,204	4,081	3,998	3,567	3,779
<b>Water</b>										
Gallons of water production (in thousands)	3,524,110	3,183,085	3,146,805	3,629,615	3,198,740	2,898,520	2,925,594	2,944,140	3,006,304	2,982,075
Watermain breaks	43	29	53	34	35	39	35	35	39	35
<b>Publicworks</b>										
Snowplowing hours	2,179	3,003	970	3,023	2,786	1,682	1,749	1,872	4,008	6,078

Sources: Various city departments.

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	38	38	33	23	17	19	21	21	23	22
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)	26	26	26	26	26	26	26	26	26	26
Other streets & alleys (miles)	287	290	294	297	300	305	310	313	320	323
Sidewalks (miles)	11	12	12	12	12	12	17	17	17	20
Streetlights	2,984	3,028	3,059	3,042	3,133	3,181	3,219	3,322	3,313	3,309
Parks and recreation										
Acreage	1,273	1,400	1,410	1,685	1,688	1,691	1,670	1,672	1,728	1,735
Number of parks and playgrounds	50	50	50	50	52	54	65	75	79	81
Trails (miles)	136	136	137	140	145	145	158	164	168	172
Community center	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	353	354	361	366	369	373	381	385	389	395
Fire hydrants:										
Private	1569	1571	1571	1573	1579	1588	1599	1610	1618	1624
Public	4429	4434	4528	4580	4638	4703	4700	4700	4957	4991
Wastewater										
Sanitary sewer (miles)	309	309	319	322	325	328	334	338	342	344
Storm sewer (miles)	134	134	140	143	146	150	157	162	168	170

Sources: Various city departments.

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

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