



City of Plymouth, Minnesota

Comprehensive Annual Financial Report

For the Year Ended December 31, 2011



Adding Quality to Life

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

**For The Year Ended
December 31, 2011**

Laurie Ahrens – City Manager

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

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

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INTRODUCTORY SECTION

CITY OF PLYMOUTH, MINNESOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended December 31, 2011

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June 30, 2012

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, 2011.

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, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the City of Plymouth's financial statements for the fiscal year ended December 31, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Reporting Entity

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

Profile of the Government

The City of Plymouth, incorporated in 1955, is a suburban community located northwest of Minneapolis in Hennepin County. The City has a land area of 35 square miles and serves a population of approximately 71,000 residents. Plymouth is currently the 7th largest city in the state. The city has excellent access to the Minneapolis-St. Paul metropolitan area via interstate highways I-494 and I-394, US Highway 169 and Minnesota State Highway 55.

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

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

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

Economic Condition and Outlook

The city grew substantially during the 1980s and 1990s, increasing by 61%. Plymouth's population increased 30% from 1990 to 2000 and as of 2010 is 70,576. 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 2011, 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.

In 2009, the city produced its second biennial budget covering fiscal years 2010-2011. This important document required significant planning and scenario-building to ensure a workable operating budget under changing economic conditions. In July of 2010, the city reviewed and updated the second year (2011) of this document following the outcomes of legislative adjustments, levy limit calculation, and review of revenue and expenditure patterns for the most recent activity trends.

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

The payable 2011 total market value of the City was \$9,025,188,400, a decrease of \$570,899,500 from 2010. The decrease in total market value between payable 2010 and payable 2011 was 5.9%, trending less than other similar communities.

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

Source: Metropolitan Council

Year	Population	Households	Employment
1970	18,077	4,645	6,060
1980	31,615	10,491	20,212
1990	50,889	18,361	38,103
2000	65,894	24,820	53,491
2010	70,576	28,663	59,900
2020	76,000	31,500	63,400
2030	78,500	33,500	64,500

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

Important Events and Future Prospects

Planning is the key to the development of a diverse economic base without sacrificing the standards required to ensure quality and order. Industrial, commercial and utility properties make up about 40% of the city’s tax capacity. The city’s land use guide plan designates all land uses including areas available for commercial and industrial development.

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

The City Council, recognizing the long-term importance of safe and functioning public infrastructure, completed analysis of the utility funds in 2010. In addition to reviewing the water and sewer rate structure, a comprehensive review of street lighting was completed. A revised street reconstruction program was also launched in 2010 to further preserve and lengthen the life of existing streets, water main, sanitary sewer, and storm sewer infrastructure.

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

Accounting System and Budgetary Control

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

Independent Audit

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

Awards and Acknowledgements

GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Plymouth for its Comprehensive Annual Financial Report for the year ended December 31, 2010. This was the 29th consecutive year that the City of Plymouth has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. The report must satisfy GAAP requirements and applicable legal requirements.

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

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

Respectfully submitted,



Jodi Bursheim
Finance Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Plymouth
Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

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



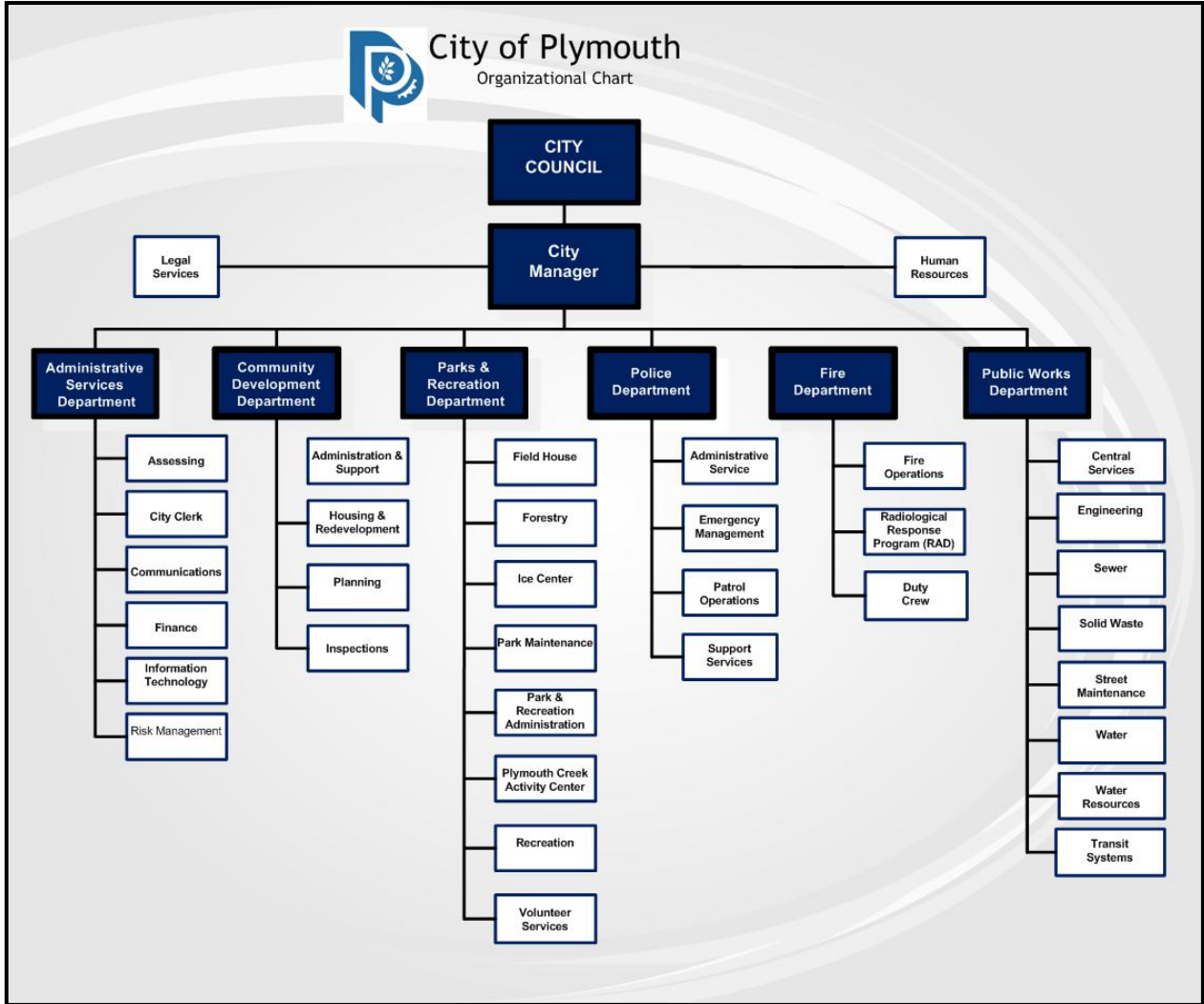
Linda C. Dandson

President

Jeffrey R. Emswiler

Executive Director

CITY OF PLYMOUTH ORGANIZATIONAL CHART



**City of Plymouth
LISTING OF CITY OFFICIALS
at December 31, 2011**

Elected Officials

	<u>Ward</u>	<u>Term of Office</u>	<u>Term Expires</u>
Mayor Kelli Slavik		Four Years	12-31-14
Councilmember Judy Johnson	1	Four Years	12-31-12
Councilmember Jeffry Wosje	2	Four Years	12-31-12
Councilmember Bob Stein	3	Four Years	12-31-12
Councilmember Ginny Black	4	Four Years	12-31-14
Councilmember Tim Bildsoe	At-Large	Four Years	12-31-14
Councilmember Jim Willis	At-Large	Four Years	12-31-12

City Officials and Department Directors

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

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FINANCIAL SECTION



PRINCIPALS

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

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Plymouth, Minnesota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Plymouth (the City) as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year partial comparative information presented has been derived from the City's financial statements for the year ended December 31, 2010, and in our report dated June 8, 2011, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable thereof, and the respective budgetary comparison for the General Fund and the major special revenue funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 of the notes to basic financial statements, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" during the year ended December 31, 2011.

(continued)

The financial statements include prior year partial comparative information. Such information does not include all of the information required in a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2010, from which such partial information was derived.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 20, 2012 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and the required supplementary information, which follows the notes to basic financial statements, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

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

June 20, 2012

City of Plymouth, Minnesota
For the Year Ended December 31, 2011
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, 2011. 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 2011, the City of Plymouth's assets exceeded its liabilities by \$389 million (*net assets*). Net assets consisted of:
 - \$38.6 million (9.9% of total net assets) restricted for specific purposes
 - \$260.8 million (67.1% of total net assets) represent the City's investment in long-term assets (including roads, bridges and other infrastructure assets) net of long-term debt used to finance these assets
 - \$89.6 million (23.0% of total net assets) are unrestricted and are available to meet the City's obligations consistent with City policy, legislative intent and direction of the City Council.
- Governmental activities recognized an increase in net assets of \$13.6 million and business-type activities resulted in an increase of \$7.7 million. Overall, the City's net assets increased by \$21.3 million in 2011. Special assessment revenue increased significantly this year due to the timing of project completion; which also resulted in an increase in capital contributions. Permit revenue increased due to elevated development activity throughout the city. Favorable investment earnings contributed to the increase; along with cost savings from personnel attrition and overall restraint on spending.
- The City's governmental funds reported combined ending fund balances of approximately \$65.6 million. Unlike net assets, which measure all of the City's assets less all of the City's liabilities, governmental fund balance measures only currently available, spendable resources. Approximately \$55 thousand, or .08 %, of total governmental fund balances are nonspendable such as inventory and prepaids. The city's restricted fund balance is approximately \$15.3 million for specific purposes that are subject to external legal restrictions such as debt service and other restrictive uses. The remainder fund balance of \$50.2 million is comprised of \$38.8 million of assigned fund balance for purposes such as construction of long-term assets or other desired uses and \$11.4 million is unassigned.
- The City's main operating fund, the General Fund, reported a year-end balance of approximately \$12.0 million. The General Fund's balance represents approximately 40% of annual budgeted spending in this fund. Fund balance in the General Fund increased \$172 thousand during the year.
- The City's total governmental activity bonded debt decreased by approximately \$1.4 million, or 7.9% from the prior-year. This debt represents a very modest ratio of only 6.6% of governmental net assets. The City's restricted resources for governmental debt service are approximately \$3.2 million which represents approximately 19.3% of governmental debt outstanding at year-end. The City's business-type activity bonded debt decreased \$805 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 assets* presents information on all of the City of Plymouth's assets and liabilities, with the difference between the two being reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Plymouth is improving or deteriorating.

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

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

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

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

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

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

The governmental fund statements are on pages 16-25 of this report.

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

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

Proprietary fund statements are on pages 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 - 66 of this report.

Government-wide Financial Analysis

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Plymouth, assets exceeded liabilities by approximately \$389 million at the end of fiscal year 2011. A portion of the City of Plymouth's net assets (67.0%) 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 Assets
(amounts in thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Assets:						
Current and other assets	\$ 100,247	\$ 93,243	\$ 36,468	\$ 35,385	\$ 136,715	\$ 128,628
Capital assets net of accumulated depreciation	178,724	173,921	106,487	100,515	285,211	274,436
Total assets	<u>\$ 278,971</u>	<u>\$ 267,164</u>	<u>\$ 142,955</u>	<u>\$ 135,900</u>	<u>\$ 421,926</u>	<u>\$ 403,064</u>
Liabilities:						
Current and other liabilities	\$ 4,211	\$ 4,675	\$ 1,171	\$ 1,011	\$ 5,382	\$ 5,686
Long-term liabilities	20,040	21,402	7,541	8,344	27,581	29,746
Total liabilities	<u>24,251</u>	<u>26,077</u>	<u>8,712</u>	<u>9,355</u>	<u>32,963</u>	<u>35,432</u>
Net Assets:						
Invested in capital assets net of related debt	161,820	155,551	98,947	92,171	260,767	247,722
Restricted net assets	16,127	12,231	22,515	20,833	38,642	33,064
Unrestricted net assets	76,773	73,305	12,781	13,541	89,554	86,846
Total net assets	<u>254,720</u>	<u>241,087</u>	<u>134,243</u>	<u>126,545</u>	<u>388,963</u>	<u>367,632</u>
Total liabilities and net assets	<u>\$ 278,971</u>	<u>\$ 267,164</u>	<u>\$ 142,955</u>	<u>\$ 135,900</u>	<u>\$ 421,926</u>	<u>\$ 403,064</u>

A portion of the City of Plymouth's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$89.6 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 assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

- **Governmental activities** – Governmental activities increased the City of Plymouth's net assets by approximately \$13.6 million or 5.7%. Several factors contributed to this increase include additional capital contributions this year due to the timing of project completion, elevated development activity throughout the city resulting in significant increase in permit revenue, favorable investment earnings over prior year, and significant cost savings from personnel attrition and overall restraint on spending.
- **Business-type activities** – The net assets of business-type activities increased by \$7.7 million or 6.1%. The positive results are the result of a significant increase in capital contributions this year due to the timing of project completions.

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

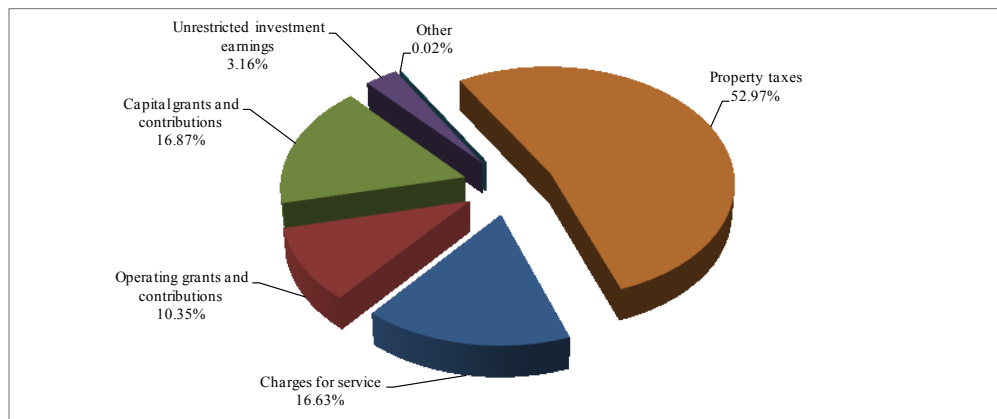
City of Plymouth, Minnesota
Changes in Net Assets
(amounts in thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for service	\$ 8,963	\$ 6,778	\$ 18,803	\$ 18,021	\$ 27,766	\$ 24,799
Operating grants and contributions	5,579	6,910	372	1,087	5,951	7,997
Capital grants and contributions	9,093	3,578	10,564	778	19,657	4,356
General revenues:						
Property taxes	28,551	28,581	-	-	28,551	28,581
Unrestricted investment earnings	1,704	362	489	366	2,193	728
Gain on disposal of capital assets	-	81	-	-	-	81
Other	12	348	11	21	23	369
Total revenues	53,902	46,638	30,239	20,273	84,141	66,911
Expenses:						
General government	4,300	4,733	-	-	4,300	4,733
Economic development	353	226	-	-	353	226
Parks and recreation	8,115	7,977	-	-	8,115	7,977
Public safety	13,713	14,296	-	-	13,713	14,296
Public service	4,432	5,102	-	-	4,432	5,102
Public works	11,936	10,615	-	-	11,936	10,615
Water and sewer utility	-	-	14,497	14,234	14,497	14,234
Ice center	-	-	1,726	1,669	1,726	1,669
Solid waste management	-	-	1,055	1,049	1,055	1,049
Water resource management	-	-	1,818	1,829	1,818	1,829
Field house	-	-	230	255	230	255
Interest on long-term debt	636	648	-	-	636	648
Total expenses	43,485	43,597	19,326	19,036	62,811	62,633
Change in Net Assets Before Transfers	10,417	3,041	10,913	1,237	21,330	4,278
Transfers in (out)	3,216	1,954	(3,216)	(1,954)	-	-
Change in Net Assets	13,633	4,995	7,697	(717)	21,330	4,278
Net Assets at Beginning of Year	241,087	236,092	126,546	127,262	367,633	363,354
Net Assets at End of Year	<u>\$ 254,720</u>	<u>\$ 241,087</u>	<u>\$ 134,243</u>	<u>\$ 126,545</u>	<u>\$ 388,963</u>	<u>\$ 367,632</u>

Governmental Activities:

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

Revenue Sources – Governmental Activities



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

Business-type Activities

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

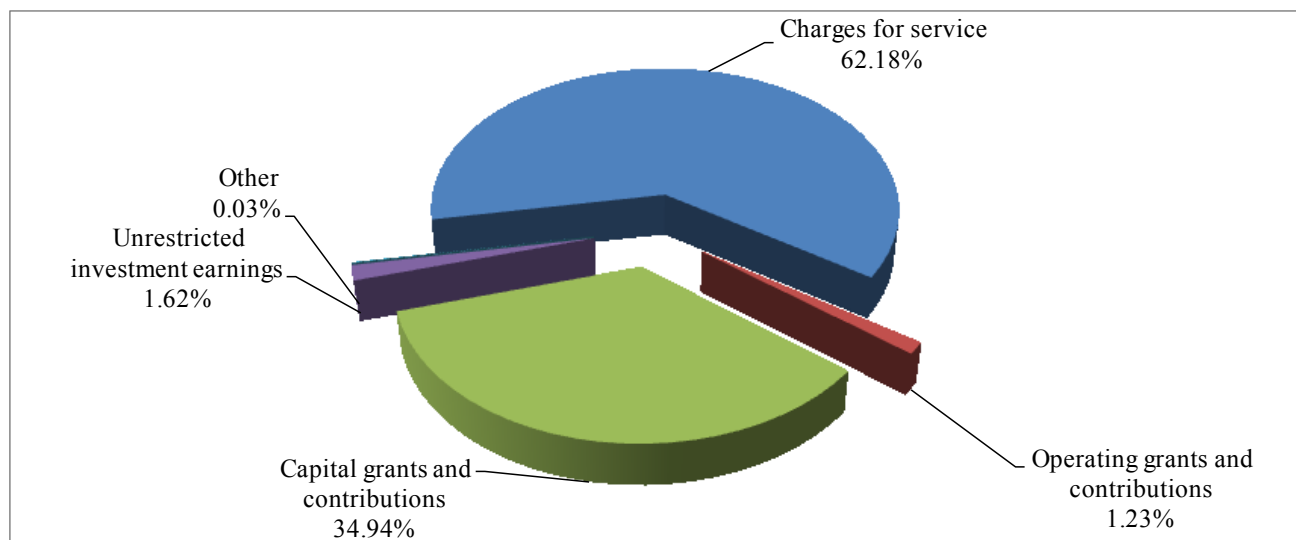
The City's business-type activities are capital intensive. The City's investment in capital assets (net of accumulated depreciation) of its business activities totaled approximately \$106.5 million in 2011. Capital (fixed) assets represented approximately 74.5% of total business-type assets.

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, 2011, there were 21,695 water and/or sewer customers. The water and sewer utility sales represented approximately 72.0% of total business-type charges for service revenue in 2011. Operating income alone is not sufficient to provide for the replacement, maintenance and expansion of the City's business-type capital assets. Depreciation allocates the cost of capital assets over their estimated useful lives; it approximates the amount of capital assets "used-up" during the year. The City's business-type activities generate positive operating income before depreciation, although it is not enough to fully offset or fund depreciation on capital assets.

In 2011, the City reported positive operating income before depreciation of approximately \$3.4 million. After depreciation, the City reported an operating loss of approximately \$854 thousand. Including non-operating income, the City's business-type activities resulted in an overall increase in net assets of approximately \$7.6 million for 2011. Significant non-operating revenues in 2011 included grant revenue from other governmental agencies of \$1.1 million, area-wide assessments of \$4.9 million, investment income of \$717 thousand, and capital contributions of \$7.5 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 budget. The City met this goal in 2011; the fund balance at year-end was \$12.0 million, or 40% of 2011 budgeted expenditures and transfers out.

Transit Fund-

- In the Transit Fund, the fund balance increased by \$111.6 thousand. This increase is primarily due to increase in revenue for interest earnings and a transfer-in for an adjustment on project funding.

CDBG Fund-

- The fund balance in the CDBG fund decreased by \$2 thousand. Expenditures are reimbursed by HUD. The CDBG program year (July 1) and the city's fiscal year (Jan. 1) are on different schedules accounting for revenue and expenditure variances. Expenditures exceeded projections due to accruals for last year's expenditures that were submitted for reimbursement in the following year.

Improvement Projects Fund-

- The fund balance increased in the Improvement Projects Fund by \$1.1 million during the year. This increase is due to approved transfers in for construction of streets and other infrastructure improvements.

Infrastructure Fund-

- The fund balance increased in the Infrastructure Fund by \$4.8 million during the year. This increase is due to approved transfers-in for infrastructure improvements; as well as an unplanned transfer-in from the General Fund. An overage from a favorable year-end position allowed the General Fund to make unplanned transfer of \$2.5 million to the Infrastructure replacement fund.

Park Replacement Fund –

- The fund balance decreased in the park replacement fund by \$2.5 million during the year. The decrease occurred as a result of expenditures that occurred for a field lighting project that was approved by Council. The original project was approved in multiple phases but significant savings were realized by moving forward with the entire project in 2011.

Tax Increment Projects Fund –

- A development loan was the primary result of the decrease in the fund balance within the tax increment project fund. The overall fund balance decreased by \$476 thousand.

Of the total fund balance within all governmental funds of \$65.6 million, \$55 thousand is nonspendable, \$15.3 million is restricted for specific uses based on external regulations, \$38.8 million is assigned internally for specific uses and \$11.4 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 assets at the end of the year were \$9.3 million. The total increase in net assets was \$6.0 million.

Ice Center Fund-

- Unrestricted net assets were (\$199) thousand due to the large value of capital assets in this fund. The total decrease in net assets was \$257 thousand.

Water Resources Fund-

- Net assets in this fund are considered restricted or invested in capital assets. The total restricted net assets at the end of the year were \$2.9 million. There was an overall increase in net assets of \$1.6 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 2011 General Fund budget anticipated an expenditure increase of less than 1%. This increase included allocation adjustments after a thorough review of internal service funds and a larger contingency for uncertainty of pending labor contracts.

General Fund revenues and other financing sources exceeded budget estimates by \$1.4 million during the year. Contributing factors for this increase included additional license and permit revenue due to elevated development activity, improved interest earnings, and additional project administration fees due to increased number of projects completed this year.

General Fund expenditures were under budget estimates by \$1.2 million due to decreases in personal costs due to attrition and cost restraints shared by all departments; as well as the majority of the contingency allowance was not used. Other financing uses exceeded budget by \$2.5 million. The primary reason for this overage was that the net positive year-end position allowed the General Fund to make unplanned transfers of \$2.5 million to the Infrastructure replacement fund.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The City’s total investment in long-term (capital) assets, net of accumulated depreciation totaled \$285.2 million at year-end.

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

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

	Governmental Capital Assets		Business-type Capital Assets		Total Capital Assets	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	\$ 30,728	\$ 28,924	\$ 3,199	\$ 3,199	\$ 33,927	\$ 32,123
Infrastructure	85,308	77,579	58,681	52,092	143,989	129,671
Buildings	26,878	27,755	33,332	34,768	60,210	62,523
Improvements other than buildings	11,752	8,395	1,794	1,837	13,546	10,232
Machinery and equipment	12,413	12,951	5,814	6,613	18,227	19,564
Construction in progress	11,645	18,317	3,668	2,006	15,313	20,323
Total capital assets	<u>\$ 178,724</u>	<u>\$ 173,921</u>	<u>\$ 106,488</u>	<u>\$ 100,515</u>	<u>\$ 285,212</u>	<u>\$ 274,436</u>

See footnote 4, pages 51-53, 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 \$24.3 million at year-end, compared to \$26.6 million at the beginning of the year. During the year, the City made regular debt service payments of \$1.4 million on governmental activity bonds and \$805 thousand on business-type activity bonds.

The City's debt holds the highest rating from Moody's Investors Services: Aaa. In 2011, the city also received the highest rating 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 54-57, 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 2012 budget was conservatively developed to account for economic and legislative activity. It provides for a balanced budget and a sound financial plan for 2012 that maintains core service levels and is sensitive to the financial concerns of Plymouth taxpayers. There was no tax levy increase from 2011.

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.



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 ASSETS
DECEMBER 31, 2011**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Housing and Redevelopment Authority
<u>ASSETS</u>				
Cash and investments	\$ 94,274,223	\$ 27,711,996	\$ 121,986,219	\$ 4,639,717
Restricted cash and investments	-	-	-	3,148,656
Accounts receivable	129,046	3,241,489	3,370,535	56,558
Notes receivable	2,480,085	-	2,480,085	1,214,400
Taxes receivable	433,527	-	433,527	8,242
Special assessments receivable	238,791	6,593,879	6,832,670	-
Accrued interest receivable	416,496	93,920	510,416	83,253
Due from other governments	569,066	300	569,366	1,668
Internal balances	1,226,664	(1,226,664)	-	-
Inventory	137,094	50,919	188,013	-
Prepaid expenses	209,343	2,061	211,404	264,644
Deferred charges	132,637	-	132,637	127,676
Capital assets:				
Nondepreciable:				
Land	30,727,752	3,199,264	33,927,016	1,333,840
Construction in progress	11,644,882	3,667,940	15,312,822	3,475
Depreciable (net):				
Buildings	26,878,182	33,332,058	60,210,240	10,940,572
Improvements other than buildings	11,751,648	1,793,468	13,545,116	226,674
Machinery and equipment	12,413,177	5,813,557	18,226,734	211,570
Infrastructure	85,308,102	58,681,282	143,989,384	-
TOTAL ASSETS	\$ 278,970,715	\$ 142,955,469	\$ 421,926,184	\$ 22,260,945
<u>LIABILITIES</u>				
Accounts payable	\$ 1,735,009	\$ 377,984	\$ 2,112,993	\$ 25,989
Contracts payable	218,488	279,766	498,254	-
Accrued salaries and benefits payable	515,016	73,842	588,858	16,639
Deposits payable	725,959	-	725,959	117,726
Due to other governments	237,155	173,082	410,237	83,633
Unearned revenue	518,334	144,032	662,366	-
Accrued interest payable	260,994	122,844	383,838	252,865
Noncurrent liabilities:				
Due within one year	3,010,873	828,000	3,838,873	3,430,887
Due in more than one year	17,028,758	6,712,836	23,741,594	13,270,223
Total liabilities	<u>24,250,586</u>	<u>8,712,386</u>	<u>32,962,972</u>	<u>17,197,962</u>
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	161,819,746	98,946,733	260,766,479	(745,736)
Restricted				
Transit	4,656,717	-	4,656,717	-
Lawful Gambling	12,962	-	12,962	-
Debt Service	3,227,530	-	3,227,530	484,846
Housing Projects	51,579	-	51,579	4,009,407
Highway/Street Improvements	2,247,494	-	2,247,494	-
Park Construction	3,054,538	-	3,054,538	-
Tax Increment	2,695,274	-	2,695,274	-
Cemetery Perpetual Care				
Non-expendable	45,500	-	45,500	-
Expendable	135,809	-	135,809	-
Utility Trunk	-	19,572,117	19,572,117	-
Water Resources	-	2,942,946	2,942,946	-
Unrestricted	76,772,980	12,781,287	89,554,267	1,314,466
Total net assets	<u>254,720,129</u>	<u>134,243,083</u>	<u>388,963,212</u>	<u>5,062,983</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 278,970,715	\$ 142,955,469	\$ 421,926,184	\$ 22,260,945

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

**CITY OF PLYMOUTH, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2011**

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government	\$ 4,299,985	\$ 539,416	\$ 140,529	\$ -
Economic development	352,956	6,951	-	-
Parks and recreation	8,115,235	1,518,685	100,095	3,043,917
Public safety	13,713,491	3,884,483	1,384,615	1,250
Public service	4,431,518	1,077,704	3,175,727	-
Public works	11,936,097	1,935,524	777,863	6,048,478
Interest on long-term debt	636,097	-	-	-
Total governmental activities	<u>43,485,379</u>	<u>8,962,763</u>	<u>5,578,829</u>	<u>9,093,645</u>
Business-type activities:				
Water sewer utility	14,497,066	13,545,723	20,500	9,743,241
Ice center	1,726,131	1,406,774	-	2,000
Solid waste management	1,054,903	940,662	194,186	-
Water resources	1,817,803	2,562,263	157,000	818,885
Field house	230,101	348,008	-	-
Total business-type activities	<u>19,326,004</u>	<u>18,803,430</u>	<u>371,686</u>	<u>10,564,126</u>
Total primary government	<u>\$ 62,811,383</u>	<u>\$ 27,766,193</u>	<u>\$ 5,950,515</u>	<u>\$ 19,657,771</u>
COMPONENT UNIT:				
Housing and Redevelopment Authority	<u>\$ 6,216,246</u>	<u>\$ 2,033,073</u>	<u>\$ 3,931,805</u>	<u>\$ -</u>
GENERAL REVENUES:				
Property taxes				
Unrestricted investment earnings				
Other				
TRANSFERS				
Total general revenues and transfers				
CHANGE IN NET ASSETS				
NET ASSETS - BEGINNING				
NET ASSETS - ENDING				

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

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Housing and Redevelopment Authority
\$ (3,620,040)	\$ -	\$ (3,620,040)	\$ -
(346,005)	-	(346,005)	-
(3,452,538)	-	(3,452,538)	-
(8,443,143)	-	(8,443,143)	-
(178,087)	-	(178,087)	-
(3,174,232)	-	(3,174,232)	-
(636,097)	-	(636,097)	-
<u>(19,850,142)</u>		<u>(19,850,142)</u>	
-	8,812,398	8,812,398	-
-	(317,357)	(317,357)	-
-	79,945	79,945	-
-	1,720,345	1,720,345	-
-	117,907	117,907	-
<u>-</u>	<u>10,413,238</u>	<u>10,413,238</u>	<u>-</u>
<u>(19,850,142)</u>	<u>10,413,238</u>	<u>(9,436,904)</u>	<u>-</u>
			<u>(251,368)</u>
28,550,808	-	28,550,808	523,759
1,704,187	489,104	2,193,291	91,432
12,059	11,418	23,477	42,592
3,216,247	(3,216,247)	-	-
<u>33,483,301</u>	<u>(2,715,725)</u>	<u>30,767,576</u>	<u>657,783</u>
13,633,159	7,697,513	21,330,672	406,415
<u>241,086,970</u>	<u>126,545,570</u>	<u>367,632,540</u>	<u>4,656,568</u>
<u>\$ 254,720,129</u>	<u>\$ 134,243,083</u>	<u>\$ 388,963,212</u>	<u>\$ 5,062,983</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, parks and recreation, public safety, 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.

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.

CAPITAL PROJECTS FUND

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

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.

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

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.

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
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2011
(with comparative totals for December 31, 2010)**

	General	Special Revenue	
		Transit System	Community Development Block Grant
ASSETS			
Cash and investments	\$ 13,276,749	\$ 4,567,162	\$ 22,985
Accounts receivable	66,456	-	-
Notes receivable	-	-	1,212,678
Taxes receivable	347,334	-	212
Special assessments receivable	9,827	-	-
Accrued interest receivable	54,107	15,522	23,826
Due from other funds	20,000	-	-
Due from other governments	163,715	351,840	48,116
Inventory	-	-	-
Prepaid expenses	9,755	-	-
Advances to other funds	-	-	-
TOTAL ASSETS	\$ 13,947,943	\$ 4,934,524	\$ 1,307,817
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 388,311	\$ 274,565	\$ 17,776
Contracts payable	-	-	-
Accrued salaries and benefits payable	336,096	3,242	1,628
Deposits payable	514,877	-	-
Due to other funds	-	-	-
Due to other governments	55,023	-	-
Advances from other funds	-	-	-
Deferred revenue	645,674	-	1,236,834
Total liabilities	1,939,981	277,807	1,256,238
Fund balances:			
Nonspendable	9,755	-	-
Restricted	-	4,656,717	51,579
Assigned	633,548	-	-
Unassigned	11,364,659	-	-
Total fund balances	12,007,962	4,656,717	51,579
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,947,943	\$ 4,934,524	\$ 1,307,817

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

Capital Projects					Nonmajor Governmental Funds	Totals	
Improvement Projects	Infrastructure Replacement	Park Replacement	Tax Increment Projects	2011		2010	
\$ 8,020,058	\$ 12,273,175	\$ 4,784,674	\$ 1,967,741	\$ 21,551,737		\$ 66,464,281	\$ 61,692,812
-	46,284	-	-	13,443	126,183	137,934	
-	-	-	836,000	431,407	2,480,085	1,862,509	
-	42,615	-	-	43,366	433,527	418,010	
391	-	-	-	228,573	238,791	330,115	
27,265	33,064	16,255	47,993	104,105	322,137	183,059	
-	-	-	69,433	737	90,170	317,930	
-	-	-	-	-	563,671	1,074,587	
-	-	-	-	175	175	35	
-	-	-	-	-	9,755	5,691	
-	-	991,062	-	1,874,948	2,866,010	1,319,511	
<u>\$ 8,047,714</u>	<u>\$ 12,395,138</u>	<u>\$ 5,791,991</u>	<u>\$ 2,921,167</u>	<u>\$ 24,248,491</u>	<u>\$ 73,594,785</u>	<u>\$ 67,342,193</u>	
\$ 48,234	\$ 4	\$ 297	\$ 221,563	\$ 32,642	\$ 983,392	\$ 964,833	
187,743	-	-	-	30,745	218,488	709,013	
-	-	-	-	12,268	353,234	348,996	
-	-	-	-	211,082	725,959	692,268	
-	-	-	-	70,170	70,170	317,930	
26,526	-	-	4,330	10,718	96,597	9,825	
-	-	1,874,948	-	-	1,874,948	230,719	
391	36,579	9,156	877,303	910,307	3,716,244	3,534,219	
<u>262,894</u>	<u>36,583</u>	<u>1,884,401</u>	<u>1,103,196</u>	<u>1,277,932</u>	<u>8,039,032</u>	<u>6,807,803</u>	
-	-	-	-	45,675	55,430	51,226	
-	-	-	1,817,971	8,762,253	15,288,520	14,515,124	
7,784,820	12,358,555	3,907,590	-	14,163,352	38,847,865	34,723,016	
-	-	-	-	(721)	11,363,938	11,245,024	
<u>7,784,820</u>	<u>12,358,555</u>	<u>3,907,590</u>	<u>1,817,971</u>	<u>22,970,559</u>	<u>65,555,753</u>	<u>60,534,390</u>	
<u>\$ 8,047,714</u>	<u>\$ 12,395,138</u>	<u>\$ 5,791,991</u>	<u>\$ 2,921,167</u>	<u>\$ 24,248,491</u>	<u>\$ 73,594,785</u>	<u>\$ 67,342,193</u>	

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**CITY OF PLYMOUTH, MINNESOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2011**

FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		\$ 65,555,753
Amounts reported for governmental activities in the statement of net assets are different because:		
1. Capital assets used in governmental activities are not financial resources, therefore are not reported in the fund statements.		
Capital assets	349,906,221	
Accumulated depreciation	<u>(177,559,141)</u>	172,347,080
2. Long-term liabilities are not due and payable in the current period, therefore are not reported in the fund statements.		
Bonds payable	(16,765,000)	
Premium / discount on bonds	(138,997)	
Accrued interest payable	<u>(260,994)</u>	(17,164,991)
3. Deferred revenue in governmental funds is susceptible to full accrual on government-wide statements.		3,198,260
4. Other long-term assets are not available to pay current-period expenditures, therefore are not included in the funds.		132,637
5. Internal service funds are used to charge the costs of fleet and building management, management information systems, employee benefits, and other items to individual funds. The assets and liabilities (including capital assets) of the internal service funds are included in governmental activities in the statement of net assets.		30,415,788
6. Internal balances which are the result of the allocation of internal service fund operations to the business-type activities are eliminated on the statement of net assets.		<u>235,602</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES		<u><u>\$ 254,720,129</u></u>

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

CITY OF PLYMOUTH, MINNESOTA
GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2011
(with comparative totals for year ended December 31, 2010)

	<u>Special Revenue</u>		
	<u>General</u>	<u>Transit System</u>	<u>Community Development Block Grant</u>
REVENUES:			
General property taxes	\$ 22,216,346	\$ -	\$ 13,454
Special assessments	22,277	-	-
Licenses and permits	3,081,423	-	-
Intergovernmental	1,838,224	2,787,378	388,349
Charges for services	2,365,808	1,051,548	-
Fines and forfeitures	877,689	-	-
Contributions	4,072	-	-
Interest income	207,415	79,785	426
Loan repayments	-	-	-
Other revenues	149,515	-	-
Total revenues	<u>30,762,769</u>	<u>3,918,711</u>	<u>402,229</u>
EXPENDITURES:			
Current:			
General government	4,177,043	-	-
Economic development	-	-	-
Parks and recreation	4,833,510	-	-
Public safety	13,478,006	-	-
Public service	-	3,844,658	402,858
Public works	5,055,942	-	-
Interest on interfund advances	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Bond issuance costs	-	-	-
Capital outlay	11,448	-	-
Total expenditures	<u>27,555,949</u>	<u>3,844,658</u>	<u>402,858</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,206,820</u>	<u>74,053</u>	<u>(629)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	245,425	60,518	-
Transfers out	(3,280,729)	(22,996)	(1,652)
General obligation bonds issued	-	-	-
Premium on bonds issued	-	-	-
Payment of refunded bonds	-	-	-
Total other financing sources (uses)	<u>(3,035,304)</u>	<u>37,522</u>	<u>(1,652)</u>
NET CHANGE IN FUND BALANCES	171,516	111,575	(2,281)
FUND BALANCES AT BEGINNING OF YEAR	<u>11,836,446</u>	<u>4,545,142</u>	<u>53,860</u>
FUND BALANCES AT END OF YEAR	<u>\$ 12,007,962</u>	<u>\$ 4,656,717</u>	<u>\$ 51,579</u>

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

Capital Projects				Nonmajor Governmental Funds	Totals	
Improvement Projects	Infrastructure Replacement	Park Replacement	Tax Increment Projects		2011	2010
\$ -	\$ 2,591,461	\$ -	\$ 712,853	\$ 3,013,111	\$ 28,547,225	\$ 28,632,748
-	(20,800)	-	-	86,751	88,228	86,366
-	160,307	-	-	-	3,241,730	2,466,049
123,259	2,219	-	-	1,669,724	6,809,153	8,399,277
-	-	13,467	-	1,204,398	4,635,221	4,061,109
-	-	-	-	-	877,689	732,451
-	-	-	-	1,471,987	1,476,059	1,150,896
151,296	157,329	147,832	33,346	456,698	1,234,127	289,595
-	-	-	-	6,951	6,951	6,745
35,448	-	-	-	77,177	262,140	333,436
<u>310,003</u>	<u>2,890,516</u>	<u>161,299</u>	<u>746,199</u>	<u>7,986,797</u>	<u>47,178,523</u>	<u>46,158,672</u>
-	-	-	-	-	4,177,043	4,364,596
-	29	-	952,927	-	952,956	226,507
-	-	39,115	-	1,871,763	6,744,388	6,620,653
-	-	-	-	-	13,478,006	13,856,019
-	-	-	-	-	4,247,516	4,017,265
61,190	-	-	1,508	1	5,118,641	5,064,740
-	-	61,624	-	13,843	75,467	26,903
-	-	-	-	1,445,000	1,445,000	1,920,000
-	-	-	-	651,984	651,984	682,487
-	-	-	-	-	-	36,625
6,060,487	-	-	-	4,217,332	10,289,267	11,909,053
<u>6,121,677</u>	<u>29</u>	<u>100,739</u>	<u>954,435</u>	<u>8,199,923</u>	<u>47,180,268</u>	<u>48,724,848</u>
<u>(5,811,674)</u>	<u>2,890,487</u>	<u>60,560</u>	<u>(208,236)</u>	<u>(213,126)</u>	<u>(1,745)</u>	<u>(2,566,176)</u>
8,390,229	3,785,938	86,300	-	4,419,992	16,988,402	16,611,302
(1,458,730)	(1,875,158)	(2,682,773)	(267,774)	(2,375,482)	(11,965,294)	(14,657,924)
-	-	-	-	-	-	2,990,000
-	-	-	-	-	-	49,206
-	-	-	-	-	-	(3,950,000)
<u>6,931,499</u>	<u>1,910,780</u>	<u>(2,596,473)</u>	<u>(267,774)</u>	<u>2,044,510</u>	<u>5,023,108</u>	<u>1,042,584</u>
1,119,825	4,801,267	(2,535,913)	(476,010)	1,831,384	5,021,363	(1,523,592)
<u>6,664,995</u>	<u>7,557,288</u>	<u>6,443,503</u>	<u>2,293,981</u>	<u>21,139,175</u>	<u>60,534,390</u>	<u>62,057,982</u>
<u>\$ 7,784,820</u>	<u>\$ 12,358,555</u>	<u>\$ 3,907,590</u>	<u>\$ 1,817,971</u>	<u>\$ 22,970,559</u>	<u>\$ 65,555,753</u>	<u>\$ 60,534,390</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, 2011**

NET INCREASE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 5,021,363

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.

Capital outlay	10,289,267	
Assets expensed in governmental funds and reassigned to proprietary funds	(2,305,879)	
Depreciation expense	<u>(8,932,401)</u>	(949,013)

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. (308,612)

3. The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal repayments		1,445,000
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4. 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 expensed in the governmental fund statements.

Accrued interest payable	11,451	
Amortization of deferred issuance costs	(16,651)	
Amortization of bond discounts and premiums	<u>21,087</u>	15,887

5. Capital assets contributed to the City by developers are not current financial resources, therefore not reported in the governmental fund statements. 6,547,251

6. Governmental funds report outlays of housing loans as expenditures while in the government-wide statement the disbursement increases notes receivable in the statement of net assets and does not affect the statement of activities. 600,000

7. Internal service funds are used to charge the cost of certain activities, such as insurance, fleet and building management, management information systems, employee benefits, and other items to individual funds. This amount represents the change in net assets of the internal service funds, which are reported with governmental activities. 1,345,515

8. The net effect of various transactions involving capital assets (i.e. sales and dispositions) is to decrease net assets. (84,232)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 13,633,159

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, 2011
(with comparative totals for year ended December 31, 2010)**

	2011		Variance with Final Budget	2010
	Original and Final Budget	Actual		Actual
REVENUES:				
Taxes	\$ 22,311,035	\$ 22,216,346	\$ (94,689)	\$ 22,332,207
Special assessments	-	22,277	22,277	6,524
Licenses and permits	2,199,915	3,081,423	881,508	2,360,463
Intergovernmental	1,805,659	1,838,224	32,565	1,834,022
Charges for services	1,719,070	2,365,808	646,738	1,870,556
Fines and forfeitures	912,500	877,689	(34,811)	732,451
Interest income	45,608	207,415	161,807	28,810
Other revenues:				
Contributions	700	4,072	3,372	5,261
Other	32,700	149,515	116,815	69,364
Total revenues	<u>29,027,187</u>	<u>30,762,769</u>	<u>1,735,582</u>	<u>29,239,658</u>
EXPENDITURES:				
General government	4,827,864	4,177,043	650,821	4,364,596
Parks and recreation	4,898,721	4,840,135	58,586	4,785,419
Public safety	13,840,715	13,482,829	357,886	13,868,737
Public works	5,219,188	5,055,942	163,246	5,025,205
Total expenditures	<u>28,786,488</u>	<u>27,555,949</u>	<u>1,230,539</u>	<u>28,043,957</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>240,699</u>	<u>3,206,820</u>	<u>2,966,121</u>	<u>1,195,701</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	563,925	245,425	(318,500)	632,795
Transfers out	(804,624)	(3,280,729)	(2,476,105)	(1,723,241)
Total other financing sources (uses)	<u>(240,699)</u>	<u>(3,035,304)</u>	<u>(2,794,605)</u>	<u>(1,090,446)</u>
NET CHANGE IN FUND BALANCE	-	171,516	171,516	105,255
FUND BALANCE AT BEGINNING OF YEAR	<u>11,836,446</u>	<u>11,836,446</u>	-	<u>11,731,191</u>
FUND BALANCE AT END OF YEAR	<u>\$ 11,836,446</u>	<u>\$ 12,007,962</u>	<u>\$ 171,516</u>	<u>\$ 11,836,446</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, 2011
(with comparative totals for year ended December 31, 2010)**

	2011		2010	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
REVENUES:				
Intergovernmental	\$ 2,655,000	\$ 2,787,378	\$ 132,378	\$ 2,651,199
Charges for services	1,100,000	1,051,548	(48,452)	1,011,332
Interest income	26,321	79,785	53,464	15,315
Other revenues	-	-	-	8
Total revenues	<u>3,781,321</u>	<u>3,918,711</u>	<u>137,390</u>	<u>3,677,854</u>
EXPENDITURES:				
Current:				
Public service:				
Personal services	168,391	166,917	1,474	166,091
Materials and supplies	1,100	52	1,048	300
Contractual services	3,910,777	3,677,689	233,088	3,466,643
Capital outlay	230,000	-	230,000	-
Total expenditures	<u>4,310,268</u>	<u>3,844,658</u>	<u>465,610</u>	<u>3,633,034</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(528,947)</u>	<u>74,053</u>	<u>603,000</u>	<u>44,820</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	551,943	60,518	(491,425)	-
Transfers out	(22,996)	(22,996)	-	(22,630)
Total other financing sources (uses)	<u>528,947</u>	<u>37,522</u>	<u>(491,425)</u>	<u>(22,630)</u>
NET CHANGE IN FUND BALANCE	-	111,575	111,575	22,190
FUND BALANCE AT BEGINNING OF YEAR	<u>4,545,142</u>	<u>4,545,142</u>	<u>-</u>	<u>4,522,952</u>
FUND BALANCE AT END OF YEAR	<u>\$ 4,545,142</u>	<u>\$ 4,656,717</u>	<u>\$ 111,575</u>	<u>\$ 4,545,142</u>

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

**CITY OF PLYMOUTH, MINNESOTA
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2011
(with comparative totals for year ended December 31, 2010)**

	2011		2010	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
REVENUES:				
General property taxes	\$ 13,508	\$ 13,454	\$ (54)	\$ 13,492
Intergovernmental	412,254	388,349	(23,905)	409,592
Interest income	508	426	(82)	74
Total revenues	<u>426,270</u>	<u>402,229</u>	<u>(24,041)</u>	<u>423,158</u>
EXPENDITURES:				
Current:				
Public service:				
Personal services	83,997	82,680	1,317	94,343
Materials and supplies	500	141	359	68
Contractual services	340,111	320,037	20,074	289,820
Total expenditures	<u>424,608</u>	<u>402,858</u>	<u>21,750</u>	<u>384,231</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,662</u>	<u>(629)</u>	<u>(2,291)</u>	<u>38,927</u>
OTHER FINANCING USES:				
Transfers out	<u>(1,662)</u>	<u>(1,652)</u>	<u>10</u>	<u>(1,652)</u>
NET CHANGE IN FUND BALANCE	-	(2,281)	(2,281)	37,275
FUND BALANCE AT BEGINNING OF YEAR	<u>53,860</u>	<u>53,860</u>	<u>-</u>	<u>16,585</u>
FUND BALANCE AT END OF YEAR	<u>\$ 53,860</u>	<u>\$ 51,579</u>	<u>\$ (2,281)</u>	<u>\$ 53,860</u>

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

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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 Management 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 ASSETS
 DECEMBER 31, 2011
 (with comparative totals for December 31, 2010)**

	Business-type Activities - Enterprise Funds			
	Water Sewer Utility	Ice Center	Water Resources	Nonmajor Funds
ASSETS				
Current assets:				
Cash and investments	\$ 19,752,845	\$ 656,521	\$ 3,257,858	\$ 4,044,772
Accounts receivable	2,937,136	268,276	-	36,077
Special assessments receivable	6,593,879	-	-	-
Accrued interest receivable	66,885	2,092	11,073	13,870
Due from other governments	-	-	-	300
Inventory	46,002	4,917	-	-
Prepaid expenses	-	-	2,061	-
Total current assets	<u>29,396,747</u>	<u>931,806</u>	<u>3,270,992</u>	<u>4,095,019</u>
Noncurrent assets:				
Capital assets:				
Land	2,074,063	1,077,650	-	47,551
Buildings	38,425,965	12,357,863	-	1,401,187
Improvements other than buildings	1,205,466	1,234,484	416,750	248,368
Machinery and equipment	12,306,960	917,173	99,279	134,330
Infrastructure	82,989,666	-	4,829,337	-
Construction in progress	1,843,285	37,306	1,787,349	-
Total capital assets	<u>138,845,405</u>	<u>15,624,476</u>	<u>7,132,715</u>	<u>1,831,436</u>
Less accumulated depreciation	<u>(49,707,279)</u>	<u>(5,433,228)</u>	<u>(532,572)</u>	<u>(1,273,384)</u>
Net capital assets	<u>89,138,126</u>	<u>10,191,248</u>	<u>6,600,143</u>	<u>558,052</u>
TOTAL ASSETS	<u><u>\$ 118,534,873</u></u>	<u><u>\$ 11,123,054</u></u>	<u><u>\$ 9,871,135</u></u>	<u><u>\$ 4,653,071</u></u>

(Continued...)

				Governmental Activities - Internal Service Funds	
Totals		Totals			
2011	2010	2011	2010		
\$ 27,711,996	\$ 28,868,413	\$ 27,809,942	\$ 25,702,293		
3,241,489	3,124,213	2,863	124,977		
6,593,879	4,663,433	-	-		
93,920	43,939	94,359	39,191		
300	18,664	5,395	9,176		
50,919	55,817	136,919	120,851		
2,061	-	199,588	3,077		
<u>37,694,564</u>	<u>36,774,479</u>	<u>28,249,066</u>	<u>25,999,565</u>		
3,199,264	3,199,264	33,520	33,520		
52,185,015	52,134,853	129,967	103,118		
3,105,068	2,985,528	489,987	489,987		
13,457,742	13,292,816	16,645,955	16,601,217		
87,819,003	79,614,096	-	-		
3,667,940	2,005,329	11,790	-		
163,434,032	153,231,886	17,311,219	17,227,842		
(56,946,463)	(52,716,803)	(10,934,556)	(10,139,604)		
<u>106,487,569</u>	<u>100,515,083</u>	<u>6,376,663</u>	<u>7,088,238</u>		
<u>\$ 144,182,133</u>	<u>\$ 137,289,562</u>	<u>\$ 34,625,729</u>	<u>\$ 33,087,803</u>		

**CITY OF PLYMOUTH, MINNESOTA
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 DECEMBER 31, 2011
 (with comparative totals for December 31, 2010)**

(Continued from previous page)

	Business-type Activities - Enterprise Funds			
	Water Sewer Utility	Ice Center	Water Resources	Nonmajor Funds
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 128,696	\$ 71,271	\$ 112,829	\$ 65,188
Contracts payable	59,897	-	219,869	-
Accrued salaries and benefits payable	42,796	11,930	14,346	4,770
Compensated absences payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	167,649	5,433	-	-
Unearned revenue	28,890	50,620	-	64,522
Accrued interest payable	122,844	-	-	-
Advances from other funds	-	102,861	-	-
Revenue bonds payable	828,000	-	-	-
Total current liabilities	<u>1,378,772</u>	<u>242,115</u>	<u>347,044</u>	<u>134,480</u>
Noncurrent liabilities:				
OPEB (net)	-	-	-	-
Compensated absences payable	-	-	-	-
Advances from other funds	-	888,201	-	-
Revenue bonds payable (net of unamortized discounts)	6,712,836	-	-	-
Total noncurrent liabilities	<u>6,712,836</u>	<u>888,201</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>8,091,608</u>	<u>1,130,316</u>	<u>347,044</u>	<u>134,480</u>
NET ASSETS				
Invested in capital assets, net of related debt	81,597,290	10,191,248	6,600,143	558,052
Restricted for:				
Utility trunk	19,572,117	-	-	-
Water resources	-	-	2,923,948	-
Unrestricted	9,273,858	(198,510)	-	3,960,539
Total net assets	<u>110,443,265</u>	<u>9,992,738</u>	<u>9,524,091</u>	<u>4,518,591</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 118,534,873</u>	<u>\$ 11,123,054</u>	<u>\$ 9,871,135</u>	<u>\$ 4,653,071</u>

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

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

				Governmental Activities - Internal Service Funds	
Totals		Totals			
2011	2010	2011	2010		
\$ 377,984	\$ 501,314	\$ 751,617	\$ 849,878		
279,766	81,569	-	27,768		
73,842	78,954	161,782	170,458		
-	-	1,594,752	1,433,808		
-	-	20,000	-		
173,082	10,618	140,558	2,021		
144,032	203,801	350	525		
122,844	134,582	-	-		
102,861	97,731	-	-		
828,000	803,000	-	-		
<u>2,102,411</u>	<u>1,911,569</u>	<u>2,669,059</u>	<u>2,484,458</u>		
-	-	777,489	606,745		
-	-	763,393	991,250		
888,201	991,061	-	-		
<u>6,712,836</u>	<u>7,540,837</u>	<u>-</u>	<u>-</u>		
<u>7,601,037</u>	<u>8,531,898</u>	<u>1,540,882</u>	<u>1,597,995</u>		
<u>9,703,448</u>	<u>10,443,467</u>	<u>4,209,941</u>	<u>4,082,453</u>		
98,946,733	92,171,246	6,376,663	7,088,238		
19,572,117	17,849,898	-	-		
2,923,948	2,971,333	-	-		
13,035,887	13,853,618	24,039,125	21,917,112		
<u>134,478,685</u>	<u>126,846,095</u>	<u>30,415,788</u>	<u>29,005,350</u>		
<u>\$ 144,182,133</u>	<u>\$ 137,289,562</u>	<u>\$ 34,625,729</u>	<u>\$ 33,087,803</u>		
\$ 134,478,685	\$ 126,846,095				
(235,602)	(300,525)				
<u>\$ 134,243,083</u>	<u>\$ 126,545,570</u>				

CITY OF PLYMOUTH, MINNESOTA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2011
(with comparative totals for year ended December 31, 2010)

	Business-type Activities - Enterprise Funds			
	Water Sewer Utility	Ice Center	Water Resources	Nonmajor Funds
OPERATING REVENUES:				
Charges for services	\$ 12,893,046	\$ 1,406,774	\$ 2,560,038	\$ 757,204
Other fees	23,559	-	1,550	531,466
Other sales	-	-	-	-
Total operating revenue	<u>12,916,605</u>	<u>1,406,774</u>	<u>2,561,588</u>	<u>1,288,670</u>
OPERATING EXPENSES:				
Personal services	2,446,889	530,475	741,598	244,811
Materials and supplies	900,138	109,061	146,505	33,905
Contractual services	7,306,630	540,574	824,603	972,802
Depreciation	3,599,695	470,104	124,095	35,766
Total operating expenses	<u>14,253,352</u>	<u>1,650,214</u>	<u>1,836,801</u>	<u>1,287,284</u>
OPERATING INCOME (LOSS)	<u>(1,336,747)</u>	<u>(243,440)</u>	<u>724,787</u>	<u>1,386</u>
NONOPERATING REVENUES (EXPENSES):				
Interest income	579,933	14,246	53,395	69,772
Intergovernmental	10,000	-	975,886	194,186
Assessments	4,937,281	-	-	-
Gain on disposal of capital assets	-	-	-	-
Contributions	-	-	-	-
Reassignment of capital assets	-	-	-	-
Other	50,855	3,567	1,585	-
Interest expense	(299,173)	(57,162)	-	-
Total nonoperating revenues (expenses)	<u>5,278,896</u>	<u>(39,349)</u>	<u>1,030,866</u>	<u>263,958</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	3,942,149	(282,789)	1,755,653	265,344
CAPITAL CONTRIBUTIONS	7,413,961	46,962	13,436	-
TRANSFERS IN	165,080	-	1,593	-
TRANSFERS OUT	<u>(5,490,504)</u>	<u>(21,439)</u>	<u>(147,594)</u>	<u>(29,262)</u>
CHANGES IN NET ASSETS	6,030,686	(257,266)	1,623,088	236,082
NET ASSETS AT BEGINNING OF YEAR	<u>104,412,579</u>	<u>10,250,004</u>	<u>7,901,003</u>	<u>4,282,509</u>
NET ASSETS AT END OF YEAR	<u>\$ 110,443,265</u>	<u>\$ 9,992,738</u>	<u>\$ 9,524,091</u>	<u>\$ 4,518,591</u>

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

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

		Governmental Activities - Internal Service Funds	
Totals		Totals	
2011	2010	2011	2010
\$ 17,617,062	\$ 17,635,262	\$ 8,735,623	\$ 8,746,042
556,575	385,943	-	-
-	-	282,884	233,479
<u>18,173,637</u>	<u>18,021,205</u>	<u>9,018,507</u>	<u>8,979,521</u>
3,963,773	3,846,688	3,987,672	4,059,247
1,189,609	1,118,203	957,805	922,314
9,644,609	9,658,395	2,553,432	2,952,310
4,229,660	4,028,161	1,325,704	1,423,938
<u>19,027,651</u>	<u>18,651,447</u>	<u>8,824,613</u>	<u>9,357,809</u>
<u>(854,014)</u>	<u>(630,242)</u>	<u>193,894</u>	<u>(378,288)</u>
717,346	366,008	485,129	90,238
1,180,072	1,085,726	27,705	79,710
4,937,281	698,746	-	-
-	750	97,535	81,337
-	1,000	-	3,500
-	-	-	(13,433)
56,007	20,687	21,722	14,597
<u>(356,335)</u>	<u>(396,708)</u>	<u>-</u>	<u>-</u>
<u>6,534,371</u>	<u>1,776,209</u>	<u>632,091</u>	<u>255,949</u>
5,680,357	1,145,967	825,985	(122,339)
7,474,359	780,056	85,435	138,193
166,673	114,037	868,888	991,354
<u>(5,688,799)</u>	<u>(2,768,606)</u>	<u>(369,870)</u>	<u>(290,163)</u>
7,632,590	(728,546)	1,410,438	717,045
<u>126,846,095</u>	<u>127,574,641</u>	<u>29,005,350</u>	<u>28,288,305</u>
<u>\$ 134,478,685</u>	<u>\$ 126,846,095</u>	<u>\$ 30,415,788</u>	<u>\$ 29,005,350</u>
\$ 7,632,590	\$ (728,546)		
64,923	11,886		
<u>\$ 7,697,513</u>	<u>\$ (716,660)</u>		

**CITY OF PLYMOUTH, MINNESOTA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2011
 (with comparative totals for year ended December 31, 2010)**

	Business-type Activities - Enterprise Funds			
	Water Sewer Utility	Ice Center	Water Resources	Nonmajor Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers or users	\$ 12,798,643	\$ 1,372,125	\$ 2,561,588	\$ 1,287,887
Payments to suppliers	(8,293,238)	(633,847)	(886,016)	(979,146)
Payments to employees	(2,453,349)	(528,473)	(742,392)	(244,671)
Other operating revenue	50,855	3,567	1,585	-
Net cash provided by operating activities	<u>2,102,911</u>	<u>213,372</u>	<u>934,765</u>	<u>64,070</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Intergovernmental revenues	10,000	-	991,102	197,276
Contributions	-	-	-	-
Payment on advances from other funds	-	(97,730)	-	-
Transfers in from other funds	165,080	-	1,593	-
Transfers out to other funds	(5,490,504)	(21,439)	(147,594)	(29,262)
Net cash provided (used) by noncapital financing activities	<u>(5,315,424)</u>	<u>(119,169)</u>	<u>845,101</u>	<u>168,014</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(1,582,047)	(64,410)	(1,563,328)	-
Special assessments for future construction received	2,983,240	-	-	-
Contributions	678,196	2,000	-	-
Proceeds from sale of capital assets	-	-	-	-
Principal paid on capital debt	(805,000)	-	-	-
Interest paid on capital debt	(308,911)	(57,162)	-	-
Net cash used by capital and related financing activities	<u>965,478</u>	<u>(119,572)</u>	<u>(1,563,328)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	<u>545,614</u>	<u>13,177</u>	<u>46,917</u>	<u>61,657</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,701,421)	(12,192)	263,455	293,741
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	\$ 21,454,266	\$ 668,713	\$ 2,994,403	\$ 3,751,031
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 19,752,845	\$ 656,521	\$ 3,257,858	\$ 4,044,772

(Continued...)

		Governmental Activities - Internal Service Funds	
Totals		Totals	
2011	2010	2011	2010
\$ 18,020,243	\$ 17,840,881	\$ 8,792,045	\$ 8,706,528
(10,792,247)	(10,650,765)	(3,711,309)	(3,462,689)
(3,968,885)	(3,859,358)	(3,803,219)	(3,720,189)
56,007	20,687	304,606	248,076
<u>3,315,118</u>	<u>3,351,445</u>	<u>1,582,123</u>	<u>1,771,726</u>
1,198,378	1,115,836	27,705	79,710
-	1,000	-	3,500
(97,730)	(92,856)	-	-
166,673	86,269	868,888	991,354
<u>(5,688,799)</u>	<u>(2,768,606)</u>	<u>(369,870)</u>	<u>(262,395)</u>
<u>(4,421,478)</u>	<u>(1,658,357)</u>	<u>526,723</u>	<u>812,169</u>
(3,209,785)	(2,487,637)	(603,836)	(1,158,134)
2,983,240	1,201,780	-	-
680,196	240,899	73,986	89,318
-	750	98,692	96,212
(805,000)	(785,000)	-	-
<u>(366,073)</u>	<u>(405,339)</u>	<u>-</u>	<u>-</u>
<u>(717,422)</u>	<u>(2,234,547)</u>	<u>(431,158)</u>	<u>(972,604)</u>
<u>667,365</u>	<u>391,485</u>	<u>429,961</u>	<u>108,133</u>
(1,156,417)	(149,974)	2,107,649	1,719,424
<u>28,868,413</u>	<u>29,018,387</u>	<u>25,702,293</u>	<u>23,982,869</u>
<u>\$ 27,711,996</u>	<u>\$ 28,868,413</u>	<u>\$ 27,809,942</u>	<u>\$ 25,702,293</u>

**CITY OF PLYMOUTH, MINNESOTA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2011
 (with comparative totals for year ended December 31, 2010)**

(Continued from previous page)

	Business-type Activities - Enterprise Funds			
	Water Sewer Utility	Ice Center	Water Resources	Nonmajor Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (1,336,747)	\$ (243,440)	\$ 724,787	\$ 1,386
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	3,599,695	470,104	124,095	35,766
Other revenue	50,855	3,567	1,585	-
Changes in assets and liabilities:				
Accounts receivable	(84,164)	(34,419)	-	1,307
Special assessments receivable	23,594	-	-	-
Due from other governments	57	-	-	-
Inventory	3,263	1,635	-	-
Prepaid expenses	-	-	(2,061)	-
Accounts payable	(251,658)	13,598	87,162	27,568
Due to other funds	-	-	-	-
Due to other governments	161,925	555	(9)	(7)
Accrued salaries payable	(6,460)	2,002	(794)	140
OPEB	-	-	-	-
Compensated absences payable	-	-	-	-
Unearned revenue	(57,449)	(230)	-	(2,090)
Total adjustments	<u>3,439,658</u>	<u>456,812</u>	<u>209,978</u>	<u>62,684</u>
Net cash provided by operating activities	<u>\$ 2,102,911</u>	<u>\$ 213,372</u>	<u>\$ 934,765</u>	<u>\$ 64,070</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
Contributions of capital assets from governmental funds	\$ 2,247,481	\$ 44,962	\$ 13,436	\$ -
Contributions of capital assets from proprietary funds	-	-	-	-
Contribution of capital asset from others	5,166,480	-	-	-
Trade-in values on capital asset purchases	-	-	-	-
Contributions of capital assets to other City funds	-	-	-	-
Increase (decrease) in capital assets from accounts and contracts payable	-	-	217,804	-

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

		Governmental Activities - Internal Service Funds	
Totals		Totals	
2011	2010	2011	2010
\$ (854,014)	\$ (630,242)	\$ 193,894	\$ (378,288)
4,229,660	4,028,161	1,325,704	1,423,938
56,007	20,687	21,722	14,597
(117,276)	(155,388)	122,114	(114,452)
23,594	(62,817)	-	-
57	5,336	3,781	3,002
4,898	1,124	(16,068)	(2,596)
(2,061)	-	(196,511)	254,690
(123,330)	124,354	(126,030)	160,803
-	-	20,000	(30,000)
162,464	355	138,537	(962)
(5,112)	(12,670)	(8,676)	123,082
-	-	170,744	204,957
-	-	(66,913)	113,180
(59,769)	32,545	(175)	(225)
<u>4,169,132</u>	<u>3,981,687</u>	<u>1,388,229</u>	<u>2,150,014</u>
<u>\$ 3,315,118</u>	<u>\$ 3,351,445</u>	<u>\$ 1,582,123</u>	<u>\$ 1,771,726</u>
\$ 2,305,879	\$ 539,157	\$ -	\$ -
-	27,768	-	48,875
5,166,480	-	11,449	-
-	-	-	13,000
-	-	-	41,201
217,804	(306,004)	(27,768)	(18,223)

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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 (generally accepted accounting principles), as applied to governmental units by the Governmental Accounting Standards Board (GASB). The City's significant accounting policies are described below.

A. FINANCIAL REPORTING ENTITY

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

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

Discretely Presented Component Units

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

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

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

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 Funds*
 - *Transit System Fund* – Revenues from the Minnesota Vehicle Excise Tax and fares, and expenditures for the Plymouth Metrolink system are accounted for in this fund.
 - *Community Development Block Grant* – Receives and expends the City’s allocation of the Federal Community Development Block Grant Program. The primary beneficiaries from the activities of this fund are persons of low and moderate income.
- *Capital Project Funds*
 - *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.
 - *Infrastructure Replacement Fund* – This fund is used to account for accumulation of resources for major infrastructure repair and replacement.
 - *Park Replacement Fund* – This fund is used to account for the accumulation of resources for the major repairs and replacement of park facilities and trails.
 - *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.

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* – Accounts for administration of the City’s surface water plan, including erosion control, wetland regulations, and other environmental programs.

Other Funds – The City reports the following other funds:

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

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

Governmental Funds:

- *Measurement Focus* - Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Reported fund balance is considered a measure of “available spendable resources”. Governmental fund operating statements represent increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

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.
- *Deferred Revenues* - Deferred revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when all revenue recognition criteria are met, the liability for deferred revenue is removed and revenue is recognized.
- *Expenditures* - Expenditures generally are recorded when a liability is incurred, defined as accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Proprietary Funds:

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

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

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

1. *Cash and Investments*

Deposits and Investments

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

Cash and Cash Equivalents

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

2. *Receivables and Payables*

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

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

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

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

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

Receivables not expected to be collected within one year are notes receivable of \$2,442,936, interest on notes receivable of \$95,895 and deferred special assessments receivable of \$5,496,780.

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.

4. *Capital Assets*

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

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

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 assets. 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 assets.

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

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

7. *Interfund Activity*

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

8. 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 internally imposed constraints that are established by Council. Those committed amounts cannot be used for any other purpose unless Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- **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. 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.

9. Use of Estimates

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

10. Comparative Data/Reclassifications

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

11. Net Assets

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

- a. Invested in capital assets, net of related debt – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets.
- b. Restricted net assets – Net assets whose use is limited by external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted".

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

12. Change in Accounting Principal

For the year ended December 31, 2011, the City has implemented GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The City is implementing this standard retroactively, meaning prior year fund balance classifications have been restated. More information on these fund balance classifications is included later in these notes.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETS AND BUDGETARY ACCOUNTING

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

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

Encumbrance accounting is employed in Governmental Funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as commitments 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.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY – CONTINUED

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

There were no funds with excess expenditures over appropriations for the year ended December 31, 2011.

C. DEFICIT FUND EQUITY

The following funds had a deficit fund balance as of December 31, 2011. Vicksburg Crossing’s deficit will be eliminated over time as the occupancy rate increases, and debt service obligations and depreciation decrease. The remaining fund deficits will be eliminated through transfers in 2012.

<u>Fund</u>	<u>Fund Balance</u>
Nonmajor - Open Space Capital Project	(721)
Component Unit - Vicksburg Crossing	(736,773)

Note 3: CASH AND INVESTMENTS

A. COMPONENTS OF CASH AND INVESTMENTS

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

	<u>Primary Government</u>	<u>Component Unit</u>	<u>Total</u>
Deposits	\$ 881,145	\$ 551,221	\$ 1,432,366
Investments	121,100,084	7,237,152	128,337,236
Cash on hand	4,990	-	4,990
Total	<u>\$ 121,986,219</u>	<u>\$ 7,788,373</u>	<u>\$ 129,774,592</u>

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

Statement of Net Assets:			
Cash and investments	\$ 121,986,219	\$ 4,639,717	\$ 126,625,936
Restricted cash and investments	-	3,148,656	3,148,656
Total cash and investments	<u>\$ 121,986,219</u>	<u>\$ 7,788,373</u>	<u>\$ 129,774,592</u>

Note 3: CASH AND INVESTMENTS - CONTINUED

B. DEPOSITS

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

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

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

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

At year-end, the carrying amount of the City’s deposits was \$881,145 while the balance on the bank records was \$1,517,714. The carrying amount of the component unit’s deposits was \$551,221 while the balance on the bank records was \$570,500. At December 31, 2011, 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.
5. Securities lending agreements with qualified financial institutions.
6. Banker’s acceptances of United States banks that are eligible for purchase by the Federal Reserve System.
7. Money market mutual funds meeting the conditions of rule 2a-7 of the Securities and Exchange Commission and is rated in one of the two highest rating categories for money market funds by at least one nationally recognized rating organization.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

Note 3: CASH AND INVESTMENTS – CONTINUED

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

Investment Type	Interest Risk - Maturity in Years				Total
	Less than 1	1 to 5	6 to 10	11 to 15	
U.S. Government Securities:					
U.S. Treasury State/Local					
Governmental Time Deposits	\$ 3,157,019	\$ -	\$ -	\$ -	\$ 3,157,019
GNMA Pass Through Pool	-	-	-	8,367,996	8,367,996
U.S. Agency Securities:					
Federal Farm Credit Bank	-	-	7,594,010	-	7,594,010
Federal Home Loan Bank	2,513,300	8,075,585	8,019,280	-	18,608,165
Federal Home Loan					
Mortgage Corporation	-	5,014,970	6,008,280	-	11,023,250
Federal National					
Mortgage Association	-	27,118,860	8,042,580	2,998,620	38,160,060
FNMA Pass Through Pool	-	-	5,032,743	4,652,829	9,685,572
Municipal Bonds	-	9,255,136	-	-	9,255,136
Commercial Paper	2,100,110	-	-	-	2,100,110
Money Market Mutual Fund	20,385,918	-	-	-	20,385,918
Total investments	<u>\$ 28,156,347</u>	<u>\$ 49,464,551</u>	<u>\$ 34,696,893</u>	<u>\$ 16,019,445</u>	128,337,236
Deposits					1,432,366
Change funds					4,990
Cash and investments					<u>\$ 129,774,592</u>

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

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

Credit risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. This risk is addressed by confining investments to those securities specifically authorized by state 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, 2011, the City’s investments in U.S. government securities and U.S. agency securities were rated AAA by Standard & Poor’s and/or Moody’s Investors Service, commercial paper was rated P1 by Moody’s Investors Service and A1+ by Standard and Poor’s, and the City’s money market mutual fund investments were rated AAA by Standard & Poor’s and Aaa by Moody’s Investors Service.

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

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 21.94% of investments with a maturity date within one year, 38.54% with a maturity date between one and five years, 27.04% with a maturity date between six and ten years, and 12.48% with a maturity date between eleven and fifteen years.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

Note 4: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011 was as follows:

<u>Primary government:</u>	<u>Beginning</u>			<u>Ending</u>
	<u>Balance</u>	<u>Additions</u>	<u>Decreases</u>	<u>Balance</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 28,923,854	\$ 1,883,898	\$ (80,000)	\$ 30,727,752
Construction in progress	18,317,141	10,274,043	(16,946,302)	11,644,882
Total capital assets, not being depreciated	<u>47,240,995</u>	<u>12,157,941</u>	<u>(17,026,302)</u>	<u>42,372,634</u>
Capital assets, being depreciated				
Infrastructure	220,480,448	14,252,984	-	234,733,432
Buildings	39,560,587	152,161	-	39,712,748
Improvements other than buildings	16,767,120	4,196,316	(19,989)	20,943,447
Machinery and equipment	28,707,137	1,332,826	(584,784)	29,455,179
Total capital assets, being depreciated	<u>305,515,292</u>	<u>19,934,287</u>	<u>(604,773)</u>	<u>324,844,806</u>
(Less) Accumulated depreciation for:				
Infrastructure	(142,901,762)	(6,523,568)	-	(149,425,330)
Buildings	(11,805,649)	(1,028,917)	-	(12,834,566)
Improvements other than buildings	(8,372,311)	(835,895)	16,407	(9,191,799)
Machinery and equipment	(15,755,253)	(1,869,725)	582,976	(17,042,002)
Total accumulated depreciation	<u>(178,834,975)</u>	<u>(10,258,105)</u>	<u>599,383</u>	<u>(188,493,697)</u>
Total capital assets, being depreciated, net	126,680,317	9,676,182	(5,390)	136,351,109
Governmental activities capital assets, net	<u>\$ 173,921,312</u>	<u>\$ 21,834,123</u>	<u>\$ (17,031,692)</u>	<u>\$ 178,723,743</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 3,199,264	\$ -	\$ -	\$ 3,199,264
Construction in progress	2,005,329	3,052,281	(1,389,670)	3,667,940
Total capital assets, not being depreciated	<u>5,204,593</u>	<u>3,052,281</u>	<u>(1,389,670)</u>	<u>6,867,204</u>
Capital assets, being depreciated				
Infrastructure	79,614,096	8,204,907	-	87,819,003
Buildings	52,134,853	50,162	-	52,185,015
Improvements other than buildings	2,985,528	119,540	-	3,105,068
Machinery and equipment	13,292,816	164,926	-	13,457,742
Total capital assets, being depreciated	<u>148,027,293</u>	<u>8,539,535</u>	<u>-</u>	<u>156,566,828</u>
(Less) Accumulated depreciation for:				
Infrastructure	(27,521,937)	(1,615,784)	-	(29,137,721)
Buildings	(17,366,585)	(1,486,372)	-	(18,852,957)
Improvements other than buildings	(1,148,738)	(162,862)	-	(1,311,600)
Machinery and equipment	(6,679,543)	(964,642)	-	(7,644,185)
Total accumulated depreciation	<u>(52,716,803)</u>	<u>(4,229,660)</u>	<u>-</u>	<u>(56,946,463)</u>
Total capital assets, being depreciated, net	95,310,490	4,309,875	-	99,620,365
Business-type activities capital assets, net	<u>\$ 100,515,083</u>	<u>\$ 7,362,156</u>	<u>\$ (1,389,670)</u>	<u>\$ 106,487,569</u>

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

Note 4: CAPITAL ASSETS – CONTINUED

	Beginning Balance	Additions	Decreases	Ending Balance
<u>Component unit:</u>				
Governmental activities:				
Capital assets, being depreciated				
Buildings	\$ 175,169	\$ -	\$ -	\$ 175,169
 (Less) Accumulated depreciation for:				
Buildings	(973)	(5,839)	-	(6,812)
Governmental activities capital assets, net	<u>\$ 174,196</u>	<u>\$ (5,839)</u>	<u>\$ -</u>	<u>\$ 168,357</u>
 Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 1,333,840	\$ -	\$ -	\$ 1,333,840
Construction in progress	-	3,475	-	3,475
Total capital assets, not being depreciated	<u>1,333,840</u>	<u>3,475</u>	<u>-</u>	<u>1,337,315</u>
 Capital assets, being depreciated				
Buildings	15,094,825	-	-	15,094,825
Improvements other than buildings	350,183	-	-	350,183
Machinery and equipment	612,464	-	-	612,464
Total capital assets, being depreciated	<u>16,057,472</u>	<u>-</u>	<u>-</u>	<u>16,057,472</u>
 (Less) Accumulated depreciation for:				
Buildings	(3,814,160)	(508,450)	-	(4,322,610)
Improvements other than buildings	(108,097)	(15,412)	-	(123,509)
Machinery and equipment	(361,747)	(39,147)	-	(400,894)
Total accumulated depreciation	<u>(4,284,004)</u>	<u>(563,009)</u>	<u>-</u>	<u>(4,847,013)</u>
Total capital assets, being depreciated, net	<u>11,773,468</u>	<u>(563,009)</u>	<u>-</u>	<u>11,210,459</u>
Business-type activities capital assets, net	<u>\$ 13,107,308</u>	<u>\$ (559,534)</u>	<u>\$ -</u>	<u>\$ 12,547,774</u>

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

Note 4: CAPITAL ASSETS – CONTINUED

<u>Primary government:</u>	<u>Amount</u>
Depreciation expense was charged to governmental functions as follows:	
General Government	\$ 225,543
Parks and Recreation	1,217,720
Public Safety	515,371
Public Works	6,783,238
Public Service	190,529
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>1,325,704</u>
Total depreciation expense - governmental activities	<u>\$ 10,258,105</u>
Depreciation expense was charged to business-type functions as follows:	
Water Sewer Utility	\$ 3,599,695
Ice Center	470,104
Water Resources	124,095
Field House	35,766
Total depreciation expense - business-type activities	<u>\$ 4,229,660</u>
<u>Component unit:</u>	
Depreciation expense was charged to governmental functions as follows:	
Public Service	\$ 5,839
Total depreciation expense - governmental activities	<u>\$ 5,839</u>
Depreciation expense was charged to business-type functions as follows:	
Plymouth Towne Square	\$ 195,260
Vicksburg Crossing	367,749
Total depreciation expense - business-type activities	<u>\$ 563,009</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>		
Residential streets	\$ 193,831	\$ -
Water resources management	-	81,792
Water and sewer utility	-	205,075
Total	<u>\$ 193,831</u>	<u>\$ 286,867</u>

Note 5: LONG-TERM DEBT

A. GENERAL OBLIGATION BONDS

Primary government

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

Component unit

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

B. GENERAL OBLIGATION WATER REVENUE BONDS

General Obligation Revenue Bonds

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

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

Note 5: LONG-TERM DEBT – CONTINUED

C. OBLIGATIONS OUTSTANDING

Long-term obligations outstanding at December 31, 2011 are summarized as follows:

<u>Primary government</u>	<u>Interest Rates (%)</u>	<u>Payment Dates</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Authorized and Issued</u>	<u>Amount Retired</u>	<u>Debt Outstanding</u>
Governmental activities:							
GENERAL OBLIGATION BONDS:							
Street Reconstruction Bonds - 2003B	2.00-3.50	2/01, 8/01	5/27/03	2/1/14	\$ 1,465,000	\$ 985,000	\$ 480,000
Open Space Refunding Bonds - 2003D	2.25-3.05	2/01, 8/01	11/25/03	2/1/11	1,355,000	1,355,000	-
Capital Improvement Bonds - 2004A	3.00-4.75	2/01, 8/01	9/9/04	2/1/25	7,480,000	1,570,000	5,910,000
Open Space Bonds - 2007A	3.75-3.90	2/01, 8/01	11/15/07	2/1/24	2,715,000	285,000	2,430,000
Activity Center and Field House Refunding Bonds - 2009B	3.00	2/01, 8/01	11/24/09	2/1/14	1,445,000	340,000	1,105,000
Open Space Bonds - 2010A	2.00-3.25	2/01, 8/01	8/24/10	2/1/26	2,990,000	-	2,990,000
Total general obligation					<u>17,450,000</u>	<u>4,535,000</u>	<u>12,915,000</u>
GENERAL OBLIGATION BONDS - TAX INCREMENT:							
Tax Increment Bonds - 2005A	2.80-4.25	2/01, 8/01	4/1/05	2/1/23	1,370,000	205,000	1,165,000
Tax Increment Refunding Bonds - 2009A	3.00-3.50	2/01, 8/01	11/24/09	2/1/23	2,490,000	90,000	2,400,000
Total tax increment obligation					<u>3,860,000</u>	<u>295,000</u>	<u>3,565,000</u>
SPECIAL ASSESSMENT BONDS:							
Housing Improvement Bonds - 1998B	5.20-5.90	2/01, 8/01	10/1/98	2/1/14	1,030,000	745,000	285,000
Total governmental activities					<u>22,340,000</u>	<u>5,575,000</u>	<u>16,765,000</u>
Business-type activities:							
General Obligation Water Revenue Bonds - 2004B	3.00-4.00	2/01, 8/01	12/8/04	2/1/19	13,140,000	5,585,000	7,555,000
Total primary government bonds payable					<u>\$ 35,480,000</u>	<u>\$ 11,160,000</u>	<u>\$ 24,320,000</u>
<u>Component unit</u>							
Business-type activities:							
Governmental Housing Project Refunding Bonds - 2003	1.75-4.50	04/01, 10/01	2/20/03	10/1/23	\$ 4,860,000	\$ 1,575,000	\$ 3,285,000
Governmental Housing Project Housing Bonds - 2005	3.75-5.00	2/01, 8/01	5/1/05	2/1/35	10,650,000	415,000	10,235,000
Governmental Housing Project Refunding Bonds - 2011A	3.00-3.25	04/01, 10/01	2/23/11	10/1/23	3,165,000	-	3,165,000
Total component unit bonds payable					<u>\$ 18,675,000</u>	<u>\$ 1,990,000</u>	<u>\$ 16,685,000</u>

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

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
	2012	\$ 1,395,000	\$ 602,358	\$ 830,000	\$ 280,300	\$ 3,455,000
2013	1,485,000	552,926	860,000	250,188	430,000	553,063
2014	1,550,000	500,708	890,000	216,800	455,000	537,913
2015	945,000	457,906	920,000	180,600	475,000	521,913
2016	980,000	423,886	955,000	143,100	510,000	505,063
2017 - 2021	5,685,000	1,511,083	3,100,000	189,200	2,875,000	2,241,206
2022 - 2026	4,725,000	364,911	-	-	2,645,000	1,668,950
2027 - 2031	-	-	-	-	2,795,000	1,108,088
2032 - 2035	-	-	-	-	3,045,000	317,375
	<u>\$ 16,765,000</u>	<u>\$ 4,413,778</u>	<u>\$ 7,555,000</u>	<u>\$ 1,260,188</u>	<u>\$ 16,685,000</u>	<u>\$ 8,150,027</u>

D. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts due within one year
<u>Primary government:</u>					
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 14,110,000	\$ -	\$ 1,195,000	\$ 12,915,000	\$ 1,105,000
General obligation bonds - tax increment	3,730,000	-	165,000	3,565,000	200,000
Special assessment bonds	370,000	-	85,000	285,000	90,000
Deferred amounts:					
Issuance premiums (discounts)	160,084	-	21,087	138,997	21,121
Total bonds payable	18,370,084	-	1,466,087	16,903,997	1,416,121
OPEB liability	606,745	315,921	145,177	777,489	-
Compensated absences	2,425,058	1,496,569	1,563,482	2,358,145	1,594,752
Governmental activity					
Long-term liabilities	21,401,887	1,812,490	3,174,746	20,039,631	3,010,873
Business-type activities:					
Bonds payable:					
General obligation water revenue bonds	8,360,000	-	805,000	7,555,000	830,000
Deferred amounts:					
Issuance discounts	(16,163)	-	(1,999)	(14,164)	(2,000)
Business-type activity					
Long-term liabilities	8,343,837	-	803,001	7,540,836	828,000
Primary government					
Long-term liabilities	<u>\$ 29,745,724</u>	<u>\$ 1,812,490</u>	<u>\$ 3,977,747</u>	<u>\$ 27,580,467</u>	<u>\$ 3,838,873</u>
<u>Component unit:</u>					
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 10,385,000	\$ -	\$ 150,000	\$ 10,235,000	\$ 170,000
General obligation bonds - refunding	3,490,000	3,165,000	205,000	6,450,000	3,285,000
Deferred amounts:					
Issuance premiums (discounts)	(61,870)	79,509	1,529	16,110	(24,113)
Total bonds payable	<u>\$ 13,813,130</u>	<u>\$ 3,244,509</u>	<u>\$ 356,529</u>	<u>\$ 16,701,110</u>	<u>\$ 3,430,887</u>

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

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 and OPEB, which are reported in the internal service funds, are included in the above amounts. Also, for the governmental activities, compensated absences and OPEB are generally liquidated by the general fund.

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

On February 23, 2011, the HRA issued Governmental Housing Project Refunding Bonds, series 2011A, with an average interest rate of 3.04%, and will refund the Governmental Housing Project Refunding Bonds, series 2003, with an average interest rate of 4.29%. The retirement of the 2003 series will occur on October 1, 2012. The refunding will result in a \$155,768 gross debt service savings over the next 12 years and an economic gain of \$127,236.

There were \$3,295,000 in Open Space Bonds authorized in November 2006 that were unissued as of December 31, 2011.

There are a number of financial limitations and restrictions contained in the various bond indentures. At December 31, 2011, the City is in compliance with all significant financial limitations and restrictions and has no federal arbitrage payable. At the time of issuing this report, there were \$9,890,000 in HRA refunding bonds and \$9,770,000 in General Obligation refunding bonds authorized with an issue date of April 5, 2012.

C. 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	Pledge Revenue Received
Water Revenue Bonds, Series 2004B	Water Treatment System	Utility Charges	100%	2004 - 2019	\$ 8,815,187	\$ 1,113,912	\$ 1,169,608
Tax Increment Bonds 2005S	Redevelopment	Tax Increment	100%	2005 - until debt obligations are paid in full	\$ 1,471,464	\$ 122,136	\$ 199,571
Tax Increment Refunding Bonds - 2009A	Site Improvement within Housing District	Tax Increment	100%	2010 - until debt obligations are paid in full	\$ 2,971,650	\$ 171,250	\$ 136,921
Governmental Housing Refunding Bonds - 2003	Senior Housing Project Refunding of Series 2003	Rental Revenue	100%	2003 - 2023	\$ 4,276,980	\$ 348,370	\$ 433,593
Governmental Housing Refunding Bonds - 2011A	bonds above	**	100%	**	**	**	**
Governmental Housing Bonds - 2005	Senior Housing Project	Rental Revenue	100%	2005-2035	\$ 17,543,025	\$ 620,375	\$ 705,565

** These bonds are refunding Governmental Housing Bonds, Series 2003 - crossover date 10/1/2012.

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

Note 6: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2011, is as follows:

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Internal Service	\$ 20,000
Tax Increment Projects	Nonmajor Governmental	69,433
Nonmajor Governmental	Nonmajor Governmental	737
		<u>\$ 90,170</u>

Advances to other funds and advances from other funds represent interfund borrowing to provide interim financing for construction projects or other purposes. Such loans bear interest at the rate of 3.0% to 5.25%.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Park Replacement	Ice Center	\$ 991,062
Nonmajor Governmental	Park Replacement	1,874,948
		<u>\$ 2,866,010</u>

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

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

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 In:					
Transfer Out:	General	Transit System	Improvement Projects	Infrastructure Replacement	Park Replacement
General	\$ -	\$ -	\$ -	\$ 2,545,765	\$ 86,300
Transit System	18,635	-	-	-	-
CDBG	-	-	-	-	-
Improvement Projects	-	60,518	-	1,240,173	-
Infrastructure Replacement	-	-	1,875,158	-	-
Park Replacement	-	-	-	-	-
Tax Increment Projects	-	-	-	-	-
Nonmajor Governmental Funds	-	-	1,282,766	-	-
Water Sewer Utility	175,710	-	5,216,804	-	-
Ice Center	11,939	-	-	-	-
Water Resources	17,388	-	15,501	-	-
Nonmajor Enterprise Funds	21,753	-	-	-	-
Internal Service Funds	-	-	-	-	-
Total	<u>\$ 245,425</u>	<u>\$ 60,518</u>	<u>\$ 8,390,229</u>	<u>\$ 3,785,938</u>	<u>\$ 86,300</u>

Transfer In:					
Transfer Out:	Nonmajor Governmental Funds	Water Sewer Utility	Water Resources	Internal Service Funds	Total
General	\$ -	\$ -	\$ -	\$ 648,664	\$ 3,280,729
Transit System	-	-	-	4,361	22,996
CDBG	-	-	-	1,652	1,652
Improvement Projects	-	156,446	1,593	-	1,458,730
Infrastructure Replacement	-	-	-	-	1,875,158
Park Replacement	2,682,773	-	-	-	2,682,773
Tax Increment Projects	267,774	-	-	-	267,774
Nonmajor Governmental Funds	1,039,286	-	-	53,430	2,375,482
Water Sewer Utility	-	-	-	97,990	5,490,504
Ice Center	-	-	-	9,500	21,439
Water Resources	89,982	-	-	24,723	147,594
Nonmajor Enterprise Funds	-	-	-	7,509	29,262
Internal Service Funds	340,177	8,634	-	21,059	369,870
Total Transfers	<u>\$ 4,419,992</u>	<u>\$ 165,080</u>	<u>\$ 1,593</u>	<u>\$ 868,888</u>	<u>\$ 18,023,963</u>

Note 7: CONTINGENCIES

General Litigation

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

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

Note 7: CONTINGENCIES – CONTINUED

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, 2011, there were 25 series of Industrial Revenue, Housing Revenue, and Health Revenue Bonds outstanding with an aggregate principal amount payable of approximately \$89.4 million.

Note 8: RISK MANAGEMENT

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

The City pays an annual premium to the LMCIT for its insurance coverage. The LMCIT is self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of reserved amounts for each insured event. The LMCIT allows for the pool to make additional assessments to make the pool self-sustaining. Current state statutes (Minnesota Statute subd. 466.04) provide limits of liability for the City. These limits are that the combination of defense expense and indemnification expense shall not exceed \$500,000 in the case of one claimant or \$1,500,000 for any number of claims arising out of a single occurrence.

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

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

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

	2010	2011
Liability at beginning of year	\$ 451,099	\$ 615,533
Incurred claims and changes in estimates	589,094	222,978
Claims paid	(424,660)	(309,690)
Liability at end of year	<u>\$ 615,533</u>	<u>\$ 528,821</u>

Note 9: RETIREMENT PLANS

DEFINED BENEFIT PENSION PLANS – STATEWIDE

A. Plan Description

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

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

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

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

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

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

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

Note 9: RETIREMENT PLANS – CONTINUED

B. Funding Policy

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. GERP Coordinated Plan members were required to contribute 6.25% of their annual covered salary in 2011. PEPFF members were required to contribute 9.6% of their annual covered salary in 2011. The City of Plymouth was required to contribute the following percentages of annual covered payroll: 7.25% for Coordinated Plan GERP members and 14.4% for PEPFF members. The City's contributions to the Public Employees Retirement Fund for the years ended December 31, 2011, 2010, and 2009 were \$809,848, \$840,817, and \$849,561, respectively. The City's contributions to the Public Employees Police & Fire Fund for the years ended December 31, 2011, 2010, and 2009 were \$795,684, \$810,372, and \$840,597, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

DEFINED CONTRIBUTION PLAN – STATEWIDE

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

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

The City's contribution to the Public Employees Defined Contribution Plan for the year ended December 31, 2011 was \$3,363; an amount identical to the employee contribution. The percentage of covered payroll from employee and employer was 5.0% which is the same as the required rate.

PLYMOUTH FIREFIGHTERS' RELIEF ASSOCIATION RETIREMENT PLAN - SINGLE EMPLOYER

A. Plan Description

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

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

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

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

Note 9: RETIREMENT PLANS – CONTINUED

B. Funding Policy

Minnesota Statute Chapter 69.772 sets the minimum contribution requirement for the City of Plymouth and state aid on an annual basis. These statutes are established and amended by the state legislature. The City passes through state aid allocated to the plan in accordance with state statutes. The amount shown as contributions of state aid, \$306,862, is recognized as revenue and expense during the year. The Association is comprised of volunteers; therefore, there are no payroll expenditures or covered payroll percentage calculations. The City’s annual pension cost for the current year and related information for the plan is as follows:

Annual contribution requirement	\$306,862
Contributions made:	
City	--
State aid	\$306,862
Actuarial valuation date	1/1/11
Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Remaining amortization period:	
Normal cost	20 years
Prior service cost	10 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	5%
Projected salary increases	N/A
Inflation rate	N/A
Cost of living adjustments	None

C. Annual Pension Cost and Net Pension Obligation

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

<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/11	\$306,862	100%	--
12/31/10	312,510	100%	--
12/31/09	306,859	100%	--

D. Required Supplementary Information

The date of the latest available actuarial valuation is January 1, 2011. There are no payroll earnings for volunteer firefighters subject to pension funding requirements.

Trend Information:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Assets in Excess of/ (Unfunded) Accrued Liability</u>	<u>Funded Ratio</u>	<u>Pension Benefit Per Year of Service</u>
1/1/2011	\$ 6,333,430	\$ 5,612,117	\$ 721,313	112.9%	\$ 7,500
1/1/2010	6,275,254	5,372,606	902,648	116.8%	7,500
1/1/2009	5,586,731	5,285,794	300,937	105.7%	7,500

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

Note 10: OTHER POSTEMPLOYMENT BENEFITS PLAN

The date of the latest available actuarial valuation is January 1, 2011. All 2011 numbers below are based on the estimates provided by this valuation.

A. Plan Description

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

B. Funding Policy

The contribution requirements of plan members and the City are established by State Statutes and the City Council. Eligible retired city employees and beneficiaries contribute 100% of the group health insurance plan premium. For fiscal year 2011, the City contributed \$145,177.

C. Annual OPEB Cost and Net OPEB Obligation

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

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

Annual Required Contribution	\$ 362,762
Interest on Net OPEB Obligation	25,608
Adjustment to Annual Required Contribution	<u>(72,449)</u>
Annual OPEB Cost	315,921
Contributions made	<u>(145,177)</u>
Increase in Net OPEB Obligation	170,744
Net OPEB Obligation beginning of year	<u>606,745</u>
Net OPEB Obligation end of year	<u><u>\$ 777,489</u></u>

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

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$315,921	\$145,177	46.0%	\$777,489
2010	\$291,398	\$86,441	29.7%	\$606,745
2009	\$282,175	\$77,218	27.4%	\$401,788

Note 10: OTHER POSTEMPLOYMENT BENEFITS PLAN – CONTINUED

D. Funding Status and Funding Progress

As of January 1, 2011, the actuarial accrued liability for benefits was \$3,072,106 all of which was unfunded and represents the implicit rate subsidies for eligible retirees and beneficiaries. The covered payroll (annual payroll of active employees covered by the plan) was \$16,110,899, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 19.1%.

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

E. Actuarial Methods and Assumptions

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

For the January 1, 2011 actuarial valuation, the projected unit credit with thirty year amortization of the unfunded liability method was used. The actuarial assumptions included a discount inflation rate of 4.5% (net of investment expenses) and an annual healthcare cost trend rate of 8.0% initially, reduced to an ultimate rate of 5.0% in six years. The UAAL is being amortized on a level dollar basis over a closed period. The remaining amortization period at December 31, 2011 was 27 years.

The following actuarial assumptions were included:

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

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

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

F. Plan Members

The following summarizes the participant data at January 1, 2011, the date of the latest actuarial valuation:

Active participants	242
Participants/surviving Spouses receiving benefits	22
Spouses of Retired Participants receiving benefit	<u>6</u>
Total participants	<u>270</u>

CITY OF PLYMOUTH, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

Note 11: FUND EQUITY

During fiscal year 2011, the City retroactively implemented the requirements of a new accounting pronouncement, GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type of Definitions."

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

A. Classifications

	Primary Government								Total	Component Unit Housing and Redevelopment Authority	
	General	Transit System	Community Development Block Grant	Improvement Projects	Infrastructure Replacement	Park Replacement	Tax Increment Projects	Nonmajor Governmental Funds			
Nonspendable:											
Prepaid items	\$ 9,755	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,755	\$ 235,273
Inventory	-	-	-	-	-	-	-	175	-	175	-
Cemetery Perpetual Care - Principal	-	-	-	-	-	-	-	45,500	-	45,500	-
Total	9,755	-	-	-	-	-	-	45,675	-	55,430	235,273
Restricted for:											
Transit services	-	4,656,717	-	-	-	-	-	-	-	4,656,717	-
Housing projects	-	-	51,579	-	-	-	-	-	-	51,579	2,451,476
Tax increment financing	-	-	-	-	-	-	1,817,971	-	-	1,817,971	-
Lawful gambling	-	-	-	-	-	-	-	12,962	-	12,962	-
Debt service	-	-	-	-	-	-	-	3,311,450	-	3,311,450	-
Highway/Street improvements	-	-	-	-	-	-	-	2,247,494	-	2,247,494	-
Park construction	-	-	-	-	-	-	-	3,054,538	-	3,054,538	-
Cemetery Perpetual care	-	-	-	-	-	-	-	135,809	-	135,809	-
Total	-	4,656,717	51,579	-	-	-	1,817,971	8,762,253	-	15,288,520	2,451,476
Assigned for:											
Infrastructure improvements	-	-	-	-	12,358,555	-	-	-	-	12,358,555	-
Park improvements	-	-	-	-	-	3,907,590	-	-	-	3,907,590	-
Recreation programming	-	-	-	-	-	-	-	661,169	-	661,169	-
Cemetery maintenance	-	-	-	-	-	-	-	155,480	-	155,480	-
Other capital projects and improvements	633,548	-	-	7,784,820	-	-	-	13,346,703	-	21,765,071	-
Total	633,548	-	-	7,784,820	12,358,555	3,907,590	-	14,163,352	-	38,847,865	-
Unassigned											
	11,364,659	-	-	-	-	-	-	(721)	-	11,363,938	-
Total	\$ 12,007,962	\$ 4,656,717	\$ 51,579	\$ 7,784,820	\$ 12,358,555	\$ 3,907,590	\$ 1,817,971	\$ 22,970,559	\$ 65,555,753	\$ 2,686,749	

B. Minimum Unassigned Fund Balance Policy

The City has formally adopted a fund balance policy regarding the minimum unassigned fund balance for the General Fund. The policy establishes a minimum General Fund balance of 40 percent of the annual projected expenditures. At December 31, 2011, the fund balance of the General Fund was 40 percent of the annual projected expenditures.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PLYMOUTH, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2011

Other Postemployment Benefits Plan
Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Accrued Liability</u>	<u>Actuarial Value of Plan Assets</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Liability as a Percentage of Payroll</u>
January 1, 2011	\$ 3,072,106	\$ -	\$ 3,072,106	0.0%	\$ 16,110,899	19.1%
January 1, 2009	2,346,338	-	2,346,338	0.0%	16,589,598	14.1%
January 1, 2007	2,379,815	-	2,379,815	0.0%	15,896,470	15.0%

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**NONMAJOR GOVERNMENTAL COMBINING
AND INDIVIDUAL FUNDS**

**CITY OF PLYMOUTH, MINNESOTA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2011
(with comparative totals for December 31, 2010)**

	Special Revenue	Debt Service	Capital Projects	Permanent Fund	Totals	
					2011	2010
ASSETS						
Cash and investments	\$ 1,119,799	\$ 3,364,875	\$16,886,368	\$ 180,695	\$ 21,551,737	\$ 22,000,331
Accounts receivable	13,443	-	-	-	13,443	53,378
Notes receivable	384,407	-	47,000	-	431,407	468,358
Taxes receivable	9,676	28,021	5,669	-	43,366	42,081
Special assessments receivable	-	154,380	74,193	-	228,573	300,937
Accrued interest receivable	34,665	11,443	57,383	614	104,105	61,506
Due from other funds	-	737	-	-	737	6,895
Due from other governments	-	-	-	-	-	336,778
Inventory	175	-	-	-	175	35
Advances to other funds	-	-	1,874,948	-	1,874,948	-
TOTAL ASSETS	\$ 1,562,165	\$ 3,559,456	\$18,945,561	\$ 181,309	\$ 24,248,491	\$ 23,270,299
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 14,573	\$ 1,500	\$ 16,569	\$ -	\$ 32,642	\$ 83,454
Contracts payable	-	-	30,745	-	30,745	416,079
Accrued salaries and benefits payable	12,268	-	-	-	12,268	12,059
Deposits payable	800	-	210,282	-	211,082	23,574
Due to other funds	-	69,433	737	-	70,170	317,507
Due to other governments	10,718	-	-	-	10,718	191
Advances from other funds	-	-	-	-	-	230,719
Deferred revenue	610,489	177,073	122,745	-	910,307	1,047,541
Total liabilities	648,848	248,006	381,078	-	1,277,932	2,131,124
Fund balances:						
Nonspendable	175	-	-	45,500	45,675	45,535
Restricted	12,962	3,311,450	5,302,032	135,809	8,762,253	7,622,141
Assigned	900,180	-	13,263,172	-	14,163,352	13,472,215
Unassigned	-	-	(721)	-	(721)	(716)
Total fund balances	913,317	3,311,450	18,564,483	181,309	22,970,559	21,139,175
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,562,165	\$ 3,559,456	\$18,945,561	\$ 181,309	\$ 24,248,491	\$ 23,270,299

CITY OF PLYMOUTH, MINNESOTA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2011
(with comparative totals for year ended December 31, 2010)

	Special Revenue	Debt Service	Capital Projects	Permanent Fund	Totals	
					2011	2010
REVENUES:						
General property taxes	\$ 614,624	\$ 2,020,836	\$ 377,651	\$ -	\$ 3,013,111	\$ 2,973,315
Special assessments	-	73,812	12,939	-	86,751	79,842
Intergovernmental	-	12,059	1,657,665	-	1,669,724	3,004,507
Charges for services	1,204,398	-	-	-	1,204,398	1,166,146
Contributions	11,687	-	1,460,300	-	1,471,987	1,145,635
Interest income	22,414	61,835	369,264	3,185	456,698	83,201
Loan repayments	6,951	-	-	-	6,951	6,745
Other revenues	3,156	-	74,021	-	77,177	18,337
Total revenues	<u>1,863,230</u>	<u>2,168,542</u>	<u>3,951,840</u>	<u>3,185</u>	<u>7,986,797</u>	<u>8,477,728</u>
EXPENDITURES:						
Current:						
Parks and recreation	1,728,971	-	142,792	-	1,871,763	1,863,307
Public works	-	-	1	-	1	6,040
Interest on interfund advances	-	-	13,843	-	13,843	26,903
Debt service:						
Principal retirement	-	1,445,000	-	-	1,445,000	1,920,000
Interest and fiscal charges	-	651,984	-	-	651,984	682,487
Bond issuance costs	-	-	-	-	-	36,625
Capital outlay	-	-	4,217,332	-	4,217,332	3,246,932
Total expenditures	<u>1,728,971</u>	<u>2,096,984</u>	<u>4,373,968</u>	<u>-</u>	<u>8,199,923</u>	<u>7,782,294</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>134,259</u>	<u>71,558</u>	<u>(422,128)</u>	<u>3,185</u>	<u>(213,126)</u>	<u>695,434</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	11,763	267,774	4,140,455	-	4,419,992	4,538,030
Transfers out	(48,718)	-	(2,326,764)	-	(2,375,482)	(7,628,651)
General obligation bonds issued	-	-	-	-	-	2,990,000
Premium on bonds issued	-	-	-	-	-	49,206
Payment of refunded bonds	-	-	-	-	-	(3,950,000)
Total other financing sources (uses)	<u>(36,955)</u>	<u>267,774</u>	<u>1,813,691</u>	<u>-</u>	<u>2,044,510</u>	<u>(4,001,415)</u>
NET CHANGE IN FUND BALANCES	<u>97,304</u>	<u>339,332</u>	<u>1,391,563</u>	<u>3,185</u>	<u>1,831,384</u>	<u>(3,305,981)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>816,013</u>	<u>2,972,118</u>	<u>17,172,920</u>	<u>178,124</u>	<u>21,139,175</u>	<u>24,445,156</u>
FUND BALANCES AT END OF YEAR	<u>\$ 913,317</u>	<u>\$ 3,311,450</u>	<u>\$18,564,483</u>	<u>\$ 181,309</u>	<u>\$ 22,970,559</u>	<u>\$ 21,139,175</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.

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, 2011
(with comparative totals for December 31, 2010)**

	<u>Recreation</u>	<u>Parkers Lake Cemetery Maintenance</u>	<u>Community Development</u>	<u>Economic Development</u>	<u>Lawful Gambling</u>
<u>ASSETS</u>					
Cash and investments	\$ 874,010	\$ 154,953	\$ 53,263	\$ 29,001	\$ 8,572
Accounts receivable	8,066	-	-	987	4,390
Notes receivable	-	-	225,000	159,407	-
Taxes receivable	9,676	-	-	-	-
Accrued interest receivable	3,005	527	31,034	99	-
Inventory	175	-	-	-	-
TOTAL ASSETS	<u>\$ 894,932</u>	<u>\$ 155,480</u>	<u>\$ 309,297</u>	<u>\$ 189,494</u>	<u>\$ 12,962</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ 14,573	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits payable	12,268	-	-	-	-
Deposits payable	800	-	-	-	-
Due to other governments	10,718	-	-	-	-
Deferred revenue	195,229	-	255,853	159,407	-
Total liabilities	<u>233,588</u>	<u>-</u>	<u>255,853</u>	<u>159,407</u>	<u>-</u>
Fund balances:					
Nonspendable	175	-	-	-	-
Restricted	-	-	-	-	12,962
Assigned	661,169	155,480	53,444	30,087	-
Total fund balances	<u>661,344</u>	<u>155,480</u>	<u>53,444</u>	<u>30,087</u>	<u>12,962</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 894,932</u>	<u>\$ 155,480</u>	<u>\$ 309,297</u>	<u>\$ 189,494</u>	<u>\$ 12,962</u>

Totals	
2011	2010
\$ 1,119,799	\$ 978,392
13,443	46,083
384,407	391,358
9,676	9,520
34,665	30,105
175	35
<u>\$ 1,562,165</u>	<u>\$ 1,455,493</u>

\$ 14,573	\$ 19,832
12,268	12,059
800	1,400
10,718	191
<u>610,489</u>	<u>605,998</u>
<u>648,848</u>	<u>639,480</u>

175	35
12,962	12,760
<u>900,180</u>	<u>803,218</u>
<u>913,317</u>	<u>816,013</u>
<u>\$ 1,562,165</u>	<u>\$ 1,455,493</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, 2011
(with comparative totals for year ended December 31, 2010)

	<u>Recreation</u>	<u>Parkers Lake Cemetery Maintenance</u>	<u>Community Development</u>	<u>Economic Development</u>	<u>Lawful Gambling</u>
REVENUES:					
General property taxes	\$ 614,624	\$ -	\$ -	\$ -	\$ -
Charges for services	1,204,363	35	-	-	-
Contributions	-	-	-	-	11,687
Interest income	13,118	2,732	939	5,347	278
Loan repayments	-	-	-	6,951	-
Other revenues	3,156	-	-	-	-
Total revenues	<u>1,835,261</u>	<u>2,767</u>	<u>939</u>	<u>12,298</u>	<u>11,965</u>
EXPENDITURES:					
Current:					
Parks and recreation	<u>1,728,971</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>106,290</u>	<u>2,767</u>	<u>939</u>	<u>12,298</u>	<u>11,965</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	11,763	-	-	-	-
Transfers out	<u>(36,955)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,763)</u>
Total other financing sources (uses)	<u>(25,192)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,763)</u>
NET CHANGE IN FUND BALANCES	81,098	2,767	939	12,298	202
FUND BALANCES AT BEGINNING OF YEAR	<u>580,246</u>	<u>152,713</u>	<u>52,505</u>	<u>17,789</u>	<u>12,760</u>
FUND BALANCES AT END OF YEAR	<u>\$ 661,344</u>	<u>\$ 155,480</u>	<u>\$ 53,444</u>	<u>\$ 30,087</u>	<u>\$ 12,962</u>

Totals	
2011	2010
\$ 614,624	\$ 618,092
1,204,398	1,166,146
11,687	3,002
22,414	7,697
6,951	6,745
3,156	2,954
<u>1,863,230</u>	<u>1,804,636</u>
<u>1,728,971</u>	<u>1,704,896</u>
<u>134,259</u>	<u>99,740</u>
11,763	3,087
(48,718)	(42,042)
<u>(36,955)</u>	<u>(38,955)</u>
97,304	60,785
<u>816,013</u>	<u>755,228</u>
<u>\$ 913,317</u>	<u>\$ 816,013</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, 2011
(with comparative totals for year ended December 31, 2010)**

	2011			Variance with Final Budget	2010
	Original Budget	Final Budget	Actual		Actual
REVENUES:					
General property taxes	\$ 618,497	\$ 618,497	\$ 614,624	\$ (3,873)	\$ 618,092
Charges for services	1,101,614	1,110,445	1,204,363	93,918	1,166,126
Interest income	3,426	3,426	13,118	9,692	1,774
Other revenues	1,300	1,300	3,156	1,856	2,954
Total revenues	<u>1,724,837</u>	<u>1,733,668</u>	<u>1,835,261</u>	<u>101,593</u>	<u>1,788,946</u>
EXPENDITURES:					
Current:					
Parks and recreation:					
Personal services	927,966	927,966	891,366	36,600	924,841
Materials and supplies	70,615	70,615	79,994	(9,379)	62,043
Contractual services	731,554	731,554	757,611	(26,057)	718,012
Total expenditures	<u>1,730,135</u>	<u>1,730,135</u>	<u>1,728,971</u>	<u>1,164</u>	<u>1,704,896</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,298)</u>	<u>3,533</u>	<u>106,290</u>	<u>102,757</u>	<u>84,050</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	32,253	32,253	11,763	(20,490)	3,087
Transfers out	<u>(26,955)</u>	<u>(35,786)</u>	<u>(36,955)</u>	<u>(1,169)</u>	<u>(38,955)</u>
Total other financing sources (uses)	<u>5,298</u>	<u>(3,533)</u>	<u>(25,192)</u>	<u>(21,659)</u>	<u>(35,868)</u>
NET CHANGE IN FUND BALANCE	-	-	81,098	81,098	48,182
FUND BALANCE AT BEGINNING OF YEAR	<u>580,246</u>	<u>580,246</u>	<u>580,246</u>	-	<u>532,064</u>
FUND BALANCE AT END OF YEAR	<u>\$ 580,246</u>	<u>\$ 580,246</u>	<u>\$ 661,344</u>	<u>\$ 81,098</u>	<u>\$ 580,246</u>



DEBT SERVICE FUNDS – NONMAJOR

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

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

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

**CITY OF PLYMOUTH, MINNESOTA
DEBT SERVICE FUNDS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2011
(with comparative totals for December 31, 2010)**

	General Obligation Bonds	Tax Increment Bonds	Special Assessment Bonds	Totals	
				2011	2010
ASSETS					
Cash and investments	\$ 2,514,708	\$ 344,402	\$ 505,765	\$ 3,364,875	\$ 3,270,080
Taxes receivable	25,865	689	1,467	28,021	27,105
Special assessments receivable	-	-	154,380	154,380	228,181
Accrued interest receivable	8,549	1,173	1,721	11,443	4,623
Due from other funds	737	-	-	737	6,895
TOTAL ASSETS	2,549,859	346,264	663,333	3,559,456	3,536,884
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,500	\$ -	\$ -	\$ 1,500	\$ 3,504
Due to other funds	-	69,433	-	69,433	310,612
Deferred revenue	21,795	-	155,278	177,073	250,650
Total liabilities	23,295	69,433	155,278	248,006	564,766
Fund balances:					
Restricted	2,526,564	276,831	508,055	3,311,450	2,972,118
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,549,859	\$ 346,264	\$ 663,333	\$ 3,559,456	\$ 3,536,884

CITY OF PLYMOUTH, MINNESOTA
DEBT SERVICE FUNDS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2011
(with comparative totals for year ended December 31, 2010)

	General Obligation Bonds	Tax Increment Bonds	Special Assessment Bonds	Totals	
				2011	2010
REVENUES:					
General property taxes	\$ 1,684,344	\$ 336,492	\$ -	\$ 2,020,836	\$ 1,986,862
Special assessments	-	-	73,812	73,812	63,702
Intergovernmental	-	12,059	-	12,059	11,265
Interest income	36,338	2,486	23,011	61,835	3,301
Total revenues	<u>1,720,682</u>	<u>351,037</u>	<u>96,823</u>	<u>2,168,542</u>	<u>2,065,130</u>
EXPENDITURES:					
Debt service:					
Principal retirement	1,195,000	165,000	85,000	1,445,000	1,920,000
Interest and fiscal charges	504,477	128,386	19,121	651,984	682,487
Total expenditures	<u>1,699,477</u>	<u>293,386</u>	<u>104,121</u>	<u>2,096,984</u>	<u>2,602,487</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>21,205</u>	<u>57,651</u>	<u>(7,298)</u>	<u>71,558</u>	<u>(537,357)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	267,774	-	267,774	247,307
Transfers out	-	-	-	-	(12,526)
Payment of refunded bonds	-	-	-	-	(3,950,000)
Total other financing sources	<u>-</u>	<u>267,774</u>	<u>-</u>	<u>267,774</u>	<u>(3,715,219)</u>
NET CHANGE IN FUND BALANCES	21,205	325,425	(7,298)	339,332	(4,252,576)
FUND BALANCES AT BEGINNING OF YEAR	<u>2,505,359</u>	<u>(48,594)</u>	<u>515,353</u>	<u>2,972,118</u>	<u>7,224,694</u>
FUND BALANCES AT END OF YEAR	<u>\$ 2,526,564</u>	<u>\$ 276,831</u>	<u>\$ 508,055</u>	<u>\$ 3,311,450</u>	<u>\$ 2,972,118</u>



CAPITAL PROJECTS FUNDS – NONMAJOR

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

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.

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.

General Obligation Open Space Bonds - This fund is used to account for project costs related to the acquisition of land for parks, greenways and open space.

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**CITY OF PLYMOUTH, MINNESOTA
CAPITAL PROJECT FUNDS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2011
(with comparative totals for December 31, 2010)**

	<u>General Capital Projects</u>	<u>Minnesota State Aid</u>	<u>Community Improvement</u>	<u>Project Administration</u>
<u>ASSETS</u>				
Cash and investments	\$ 3,497,659	\$ 2,239,894	\$ 4,799,783	\$ 498,798
Accounts receivable	-	-	-	-
Notes receivable	-	-	-	-
Taxes receivable	-	-	-	-
Special assessments receivable	-	-	74,193	-
Accrued interest receivable	11,899	7,600	16,314	1,695
Due from other governments	-	-	-	-
Advances to other funds	-	-	1,874,948	-
TOTAL ASSETS	<u>\$ 3,509,558</u>	<u>\$ 2,247,494</u>	<u>\$ 6,765,238</u>	<u>\$ 500,493</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 15,807	\$ -	\$ -	\$ -
Contracts payable	30,745	-	-	-
Deposits payable	210,282	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Deferred revenue	-	-	71,090	-
Total liabilities	<u>256,834</u>	<u>-</u>	<u>71,090</u>	<u>-</u>
Fund balances:				
Restricted	-	2,247,494	-	-
Assigned	3,252,724	-	6,694,148	500,493
Unassigned	-	-	-	-
Total fund balances	<u>3,252,724</u>	<u>2,247,494</u>	<u>6,694,148</u>	<u>500,493</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,509,558</u>	<u>\$ 2,247,494</u>	<u>\$ 6,765,238</u>	<u>\$ 500,493</u>

<u>Park Construction</u>	<u>Capital Improvement</u>	<u>Open Space</u>	<u>Totals</u>	
			<u>2011</u>	<u>2010</u>
\$ 3,044,960	\$ 2,805,258	\$ 16	\$ 16,886,368	\$ 17,574,008
-	-	-	-	7,295
47,000	-	-	47,000	77,000
-	5,669	-	5,669	5,456
-	-	-	74,193	72,756
10,340	9,535	-	57,383	26,505
-	-	-	-	336,778
-	-	-	1,874,948	-
<u>\$ 3,102,300</u>	<u>\$ 2,820,462</u>	<u>\$ 16</u>	<u>\$ 18,945,561</u>	<u>\$ 18,099,798</u>
\$ 762	\$ -	\$ -	\$ 16,569	\$ 60,118
-	-	-	30,745	416,079
-	-	-	210,282	22,174
-	-	737	737	6,895
-	-	-	-	230,719
47,000	4,655	-	122,745	190,893
<u>47,762</u>	<u>4,655</u>	<u>737</u>	<u>381,078</u>	<u>926,878</u>
3,054,538	-	-	5,302,032	4,504,639
-	2,815,807	-	13,263,172	12,668,997
-	-	(721)	(721)	(716)
<u>3,054,538</u>	<u>2,815,807</u>	<u>(721)</u>	<u>18,564,483</u>	<u>17,172,920</u>
<u>\$ 3,102,300</u>	<u>\$ 2,820,462</u>	<u>\$ 16</u>	<u>\$ 18,945,561</u>	<u>\$ 18,099,798</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, 2011
(with comparative totals for year ended December 31, 2010)

	<u>General Capital Projects</u>	<u>Minnesota State Aid</u>	<u>Community Improvement</u>	<u>Project Administration</u>
REVENUES:				
General property taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	12,939	-
Intergovernmental	92,254	1,565,411	-	-
Contributions	-	-	-	-
Interest income (loss)	56,915	44,987	154,613	8,794
Other revenues	74,021	-	-	-
Total revenues	<u>223,190</u>	<u>1,610,398</u>	<u>167,552</u>	<u>8,794</u>
EXPENDITURES:				
Current:				
Parks and recreation	90,088	-	-	-
Public works	-	-	-	1
Interest on interfund advances	-	13,843	-	-
Debt service:				
Bond issuance costs	-	-	-	-
Capital outlay	4,201,788	-	-	-
Total expenditures	<u>4,291,876</u>	<u>13,843</u>	<u>-</u>	<u>1</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,068,686)</u>	<u>1,596,555</u>	<u>167,552</u>	<u>8,793</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	4,140,455	-	-	-
Transfers out	(16,475)	(1,278,374)	(61,655)	-
General obligation bonds issued	-	-	-	-
Discount on bonds issued	-	-	-	-
Total other financing sources (uses)	<u>4,123,980</u>	<u>(1,278,374)</u>	<u>(61,655)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	55,294	318,181	105,897	8,793
FUND BALANCES AT BEGINNING OF YEAR	<u>3,197,430</u>	<u>1,929,313</u>	<u>6,588,251</u>	<u>491,700</u>
FUND BALANCES AT END OF YEAR	<u>\$ 3,252,724</u>	<u>\$ 2,247,494</u>	<u>\$ 6,694,148</u>	<u>\$ 500,493</u>

<u>Park Construction</u>	<u>Capital Improvement</u>	<u>Open Space</u>	<u>Totals</u>	
			<u>2011</u>	<u>2010</u>
\$ -	\$ 377,651	\$ -	\$ 377,651	\$ 368,361
-	-	-	12,939	16,140
-	-	-	1,657,665	2,993,242
1,460,300	-	-	1,460,300	1,142,633
57,365	46,540	50	369,264	71,575
-	-	-	74,021	15,383
<u>1,517,665</u>	<u>424,191</u>	<u>50</u>	<u>3,951,840</u>	<u>4,607,334</u>
52,704	-	-	142,792	158,411
-	-	-	1	6,040
-	-	-	13,843	26,903
-	-	-	-	36,625
15,489	-	55	4,217,332	3,246,932
<u>68,193</u>	<u>-</u>	<u>55</u>	<u>4,373,968</u>	<u>3,474,911</u>
<u>1,449,472</u>	<u>424,191</u>	<u>(5)</u>	<u>(422,128)</u>	<u>1,132,423</u>
-	-	-	4,140,455	4,287,636
(970,260)	-	-	(2,326,764)	(7,574,083)
-	-	-	-	2,990,000
-	-	-	-	49,206
<u>(970,260)</u>	<u>-</u>	<u>-</u>	<u>1,813,691</u>	<u>(247,241)</u>
479,212	424,191	(5)	1,391,563	885,182
<u>2,575,326</u>	<u>2,391,616</u>	<u>(716)</u>	<u>17,172,920</u>	<u>16,287,738</u>
<u>\$ 3,054,538</u>	<u>\$ 2,815,807</u>	<u>\$ (721)</u>	<u>\$ 18,564,483</u>	<u>\$ 17,172,920</u>

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PERMANENT FUNDS – NONMAJOR

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

**CITY OF PLYMOUTH, MINNESOTA
 PARKERS LAKE CEMETERY PERPETUAL CARE
 PERMANENT FUND
 NONMAJOR GOVERNMENTAL FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash and investments	\$ 180,695	\$ 177,851
Accrued interest receivable	614	273
TOTAL ASSETS	<u>\$ 181,309</u>	<u>\$ 178,124</u>
<u>FUND BALANCES</u>		
Fund balance:		
Nonspendable	\$ 45,500	\$ 45,500
Restricted	135,809	132,624
Total fund balance	<u>\$ 181,309</u>	<u>\$ 178,124</u>

**CITY OF PLYMOUTH, MINNESOTA
 PARKERS LAKE CEMETERY PERPETUAL CARE
 PERMANENT FUND
 NONMAJOR GOVERNMENTAL FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<u>REVENUES:</u>		
Interest income	\$ 3,185	\$ 628
NET CHANGE IN FUND BALANCE	3,185	628
FUND BALANCE AT BEGINNING OF YEAR	<u>178,124</u>	<u>177,496</u>
FUND BALANCE AT END OF YEAR	<u>\$ 181,309</u>	<u>\$ 178,124</u>



**GENERAL FUND
COMPARATIVE INFORMATION**

**CITY OF PLYMOUTH, MINNESOTA
GENERAL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2011 AND 2010**

	Totals	
	2011	2010
<u>ASSETS</u>		
Cash and investments	\$ 13,276,749	\$ 13,318,107
Accounts receivable	66,456	71,906
Taxes receivable	347,334	337,261
Special assessments receivable	9,827	28,787
Accrued interest receivable	54,107	22,748
Due from other funds	20,000	-
Due from other governments	163,715	107,151
Prepaid expenses	9,755	5,691
TOTAL ASSETS	<u>13,947,943</u>	<u>13,891,651</u>
<u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	\$ 388,311	\$ 359,671
Accrued salaries and benefits payable	336,096	332,156
Deposits payable	514,877	583,268
Due to other governments	55,023	9,632
Deferred revenue	645,674	770,478
Total liabilities	<u>1,939,981</u>	<u>2,055,205</u>
Fund balances:		
Nonspendable	9,755	5,691
Assigned	633,548	585,015
Unassigned	11,364,659	11,245,740
Total fund balance	<u>12,007,962</u>	<u>11,836,446</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 13,947,943</u>	<u>\$ 13,891,651</u>

CITY OF PLYMOUTH, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES AND TRANSFERS - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2011
(with comparative totals for year ended December 31, 2010)

	2011		2010	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
REVENUES:				
Property taxes	\$ 22,311,035	\$ 22,216,346	\$ (94,689)	\$ 22,332,207
Special assessments	-	22,277	22,277	6,524
Licenses and permits:				
Nonbusiness	1,867,000	2,725,675	858,675	2,014,694
Business	332,915	355,748	22,833	345,769
Total licenses and permits	2,199,915	3,081,423	881,508	2,360,463
Intergovernmental:				
State grants and aids	1,286,035	1,315,920	29,885	1,236,423
Federal grants	110,333	125,987	15,654	171,939
Other	409,291	396,317	(12,974)	425,660
Total intergovernmental	1,805,659	1,838,224	32,565	1,834,022
Charges for services	1,719,070	2,365,808	646,738	1,870,556
Fines and forfeitures	912,500	877,689	(34,811)	732,451
Interest income	45,608	207,415	161,807	28,810
Other revenues:				
Contributions	700	4,072	3,372	5,261
Other	32,700	149,515	116,815	69,364
Total other revenues	33,400	153,587	120,187	74,625
Total revenues	29,027,187	30,762,769	1,735,582	29,239,658
OTHER FINANCING SOURCES:				
Transfers from other funds:				
Design Engineering	-	-	-	198,795
Field House	3,824	3,824	-	3,824
Ice Center	11,939	11,939	-	11,939
Improvement Project Construction	-	-	-	214,719
Project Administration	150,000	-	(150,000)	-
Resource Planning	203,000	-	(203,000)	-
Solid Waste	17,929	17,929	-	17,929
Transit	18,635	18,635	-	18,269
Water Sewer Utility	141,210	175,710	34,500	141,871
Water Resources	17,388	17,388	-	25,449
Total other financing sources	563,925	245,425	(318,500)	632,795
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 29,591,112	\$ 31,008,194	\$ 1,417,082	\$ 29,872,453

**CITY OF PLYMOUTH, MINNESOTA
GENERAL FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2011
(with comparative totals for year ended December 31, 2010)**

	2011		2010	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
GENERAL GOVERNMENT:				
Legislative:				
Personal services	\$ 786,943	\$ 392,246	\$ 394,697	\$ 477,365
Materials and supplies	7,200	13,430	(6,230)	4,902
Contractual services	729,180	702,459	26,721	692,323
Other	259,450	111,919	147,531	239,472
Total legislative	<u>1,782,773</u>	<u>1,220,054</u>	<u>562,719</u>	<u>1,414,062</u>
Administration:				
Personal services	1,275,982	1,397,341	(121,359)	1,463,540
Materials and supplies	14,800	6,864	7,936	16,170
Contractual services	487,577	432,930	54,647	430,597
Capital outlay	200,000	-	200,000	-
Other	400	3,372	(2,972)	5,161
Total administration	<u>1,978,759</u>	<u>1,840,507</u>	<u>138,252</u>	<u>1,915,468</u>
Community development:				
Personal services	854,108	844,657	9,451	842,420
Materials and supplies	8,300	4,068	4,232	1,999
Contractual services	203,924	267,757	(63,833)	190,647
Total community development	<u>1,066,332</u>	<u>1,116,482</u>	<u>(50,150)</u>	<u>1,035,066</u>
Total general government	<u>4,827,864</u>	<u>4,177,043</u>	<u>650,821</u>	<u>4,364,596</u>
PARKS AND RECREATION:				
Personal services	2,705,959	2,534,440	171,519	2,750,509
Materials and supplies	359,600	328,503	31,097	296,284
Contractual services	1,812,836	1,954,699	(141,863)	1,675,007
Capital outlay	8,476	6,625	1,851	48,875
Other	11,850	15,868	(4,018)	14,744
Total parks and recreation	<u>4,898,721</u>	<u>4,840,135</u>	<u>58,586</u>	<u>4,785,419</u>
PUBLIC SAFETY:				
Police:				
Personal services	8,076,399	7,901,444	174,955	8,143,044
Materials and supplies	155,300	152,550	2,750	145,407
Contractual services	1,580,246	1,611,601	(31,355)	1,712,756
Capital outlay	-	-	-	12,718
Other	95,000	75,965	19,035	69,677
Total police	<u>9,906,945</u>	<u>9,741,560</u>	<u>165,385</u>	<u>10,083,602</u>
Fire:				
Personal services	1,128,831	1,125,935	2,896	1,166,116
Materials and supplies	154,790	121,652	33,138	107,103
Contractual services	974,751	942,914	31,837	905,634
Capital outlay	10,000	4,823	5,177	-
Other	350,000	305,876	44,124	318,977
Total fire	<u>2,618,372</u>	<u>2,501,200</u>	<u>117,172</u>	<u>2,497,830</u>
Civil defense:				
Personal services	3,040	2,688	352	1,939
Materials and supplies	3,600	835	2,765	9,569
Contractual services	28,597	23,932	4,665	22,807
Total civil defense	<u>35,237</u>	<u>27,455</u>	<u>7,782</u>	<u>34,315</u>

(Continued...)

**CITY OF PLYMOUTH, MINNESOTA
GENERAL FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2011
(with comparative totals for year ended December 31, 2010)**

(Continued from previous page)

	2011		Variance with Final Budget	2010
	Original and Final Budget	Actual		Actual
Protective inspections				
Personal services	\$ 1,110,629	\$ 1,046,887	\$ 63,742	\$ 1,099,302
Materials and supplies	7,020	4,447	2,573	2,191
Contractual services	162,312	158,359	3,953	151,497
Capital outlay	200	-	200	-
Other	-	2,921	(2,921)	-
Total protective inspections	<u>1,280,161</u>	<u>1,212,614</u>	<u>67,547</u>	<u>1,252,990</u>
Total public safety	<u>13,840,715</u>	<u>13,482,829</u>	<u>357,886</u>	<u>13,868,737</u>
PUBLIC WORKS:				
Engineering:				
Personal services	944,860	896,013	48,847	571,995
Materials and supplies	4,820	1,918	2,902	2,719
Contractual services	248,858	234,097	14,761	228,109
Capital outlay	-	-	-	214,719
Total engineering	<u>1,198,538</u>	<u>1,132,028</u>	<u>66,510</u>	<u>1,017,542</u>
Streets:				
Personal services	974,353	984,576	(10,223)	990,868
Materials and supplies	790,850	731,301	59,549	815,908
Contractual services	2,245,117	2,203,680	41,437	2,197,166
Capital outlay	5,200	-	5,200	-
Other	5,130	4,357	773	3,721
Total streets	<u>4,020,650</u>	<u>3,923,914</u>	<u>96,736</u>	<u>4,007,663</u>
Total public works	<u>5,219,188</u>	<u>5,055,942</u>	<u>163,246</u>	<u>5,025,205</u>
Total expenditures	<u>28,786,488</u>	<u>27,555,949</u>	<u>1,230,539</u>	<u>28,043,957</u>
OTHER FINANCING USES:				
Transfers to other funds:				
Employee Benefits	54,660	-	54,660	54,660
General Capital Projects	-	-	-	44,705
Infrastructure Replacement	-	2,545,765	(2,545,765)	418,306
Park Replacement	86,300	86,300	-	502,906
Public Facilities	-	-	-	140,000
Resource Planning	196,000	181,000	15,000	95,000
Risk Management	467,664	467,664	-	467,664
Total other financing uses	<u>804,624</u>	<u>3,280,729</u>	<u>(2,476,105)</u>	<u>1,723,241</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 29,591,112</u>	<u>\$ 30,836,678</u>	<u>\$ (1,245,566)</u>	<u>\$ 29,767,198</u>



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 ASSETS
DECEMBER 31, 2011
(with comparative totals for December 31, 2010)

	Solid Waste Management	Field House	Totals	
			2011	2010
ASSETS				
Current assets:				
Cash and investments	\$ 2,760,597	\$ 1,284,175	\$ 4,044,772	\$ 3,751,031
Accounts receivable	-	36,077	36,077	37,384
Accrued interest receivable	9,382	4,488	13,870	5,755
Due from other governments	300	-	300	3,390
Total current assets	<u>2,770,279</u>	<u>1,324,740</u>	<u>4,095,019</u>	<u>3,797,560</u>
Noncurrent assets:				
Capital assets:				
Land	-	47,551	47,551	47,551
Buildings	-	1,401,187	1,401,187	1,401,187
Improvements other than buildings	-	248,368	248,368	248,368
Machinery and equipment	-	134,330	134,330	134,330
Total capital assets	-	1,831,436	1,831,436	1,831,436
Less accumulated depreciation	-	(1,273,384)	(1,273,384)	(1,237,618)
Net capital assets	-	558,052	558,052	593,818
TOTAL ASSETS	<u>\$ 2,770,279</u>	<u>\$ 1,882,792</u>	<u>\$ 4,653,071</u>	<u>\$ 4,391,378</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 53,933	\$ 11,255	\$ 65,188	\$ 37,620
Accrued salaries and benefits payable	2,460	2,310	4,770	4,630
Due to other governments	-	-	-	7
Unearned revenue	-	64,522	64,522	66,612
Total liabilities	<u>56,393</u>	<u>78,087</u>	<u>134,480</u>	<u>108,869</u>
NET ASSETS				
Invested in capital assets	-	558,052	558,052	593,818
Unrestricted	2,713,886	1,246,653	3,960,539	3,688,691
Total net assets	<u>2,713,886</u>	<u>1,804,705</u>	<u>4,518,591</u>	<u>4,282,509</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,770,279</u>	<u>\$ 1,882,792</u>	<u>\$ 4,653,071</u>	<u>\$ 4,391,378</u>

CITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2011
(with comparative totals for year ended December 31, 2010)

	Solid Waste Management	Field House	Totals	
			2011	2010
OPERATING REVENUES:				
Charges for services	\$ 415,497	\$ 341,707	\$ 757,204	\$ 774,573
Other fees	525,165	6,301	531,466	304,301
Total operating revenue	<u>940,662</u>	<u>348,008</u>	<u>1,288,670</u>	<u>1,078,874</u>
OPERATING EXPENSES:				
Personal services	148,460	96,351	244,811	245,429
Materials and supplies	29,206	4,699	33,905	35,164
Contractual services	880,252	92,550	972,802	967,319
Depreciation	-	35,766	35,766	57,354
Total operating expenses	<u>1,057,918</u>	<u>229,366</u>	<u>1,287,284</u>	<u>1,305,266</u>
OPERATING INCOME (LOSS)	<u>(117,256)</u>	<u>118,642</u>	<u>1,386</u>	<u>(226,392)</u>
NONOPERATING REVENUES:				
Interest income	47,610	22,162	69,772	12,769
Intergovernmental	194,186	-	194,186	194,038
Total nonoperating revenues	<u>241,796</u>	<u>22,162</u>	<u>263,958</u>	<u>206,807</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	124,540	140,804	265,344	(19,585)
TRANSFERS OUT	<u>(23,538)</u>	<u>(5,724)</u>	<u>(29,262)</u>	<u>(29,152)</u>
CHANGES IN NET ASSETS	101,002	135,080	236,082	(48,737)
NET ASSETS AT BEGINNING OF YEAR	<u>2,612,884</u>	<u>1,669,625</u>	<u>4,282,509</u>	<u>4,331,246</u>
NET ASSETS AT END OF YEAR	<u>\$ 2,713,886</u>	<u>\$ 1,804,705</u>	<u>\$ 4,518,591</u>	<u>\$ 4,282,509</u>

CITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2011
(with comparative totals for year ended December 31, 2010)

	Solid Waste Management	Field House	Totals	
			2011	2010
CASH FLOWS FROM				
OPERATING ACTIVITIES:				
Receipts from customers or users	\$ 940,662	\$ 347,225	\$ 1,287,887	\$ 1,036,187
Payments to suppliers	(880,792)	(98,354)	(979,146)	(1,023,960)
Payments to employees	(148,460)	(96,211)	(244,671)	(245,898)
Net cash provided (used) by operating activities	(88,590)	152,660	64,070	(233,671)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Intergovernmental revenues	197,276	-	197,276	190,648
Transfers out to other funds	(23,538)	(5,724)	(29,262)	(29,152)
Net cash provided (used) by noncapital financing activities	173,738	(5,724)	168,014	161,496
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income	42,268	19,389	61,657	16,127
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	127,416	166,325	293,741	(56,048)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,633,181	1,117,850	3,751,031	3,807,079
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 2,760,597	\$ 1,284,175	\$ 4,044,772	\$ 3,751,031
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (117,256)	\$ 118,642	\$ 1,386	\$ (226,392)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	-	35,766	35,766	57,354
Changes in assets and liabilities:				
Accounts receivable	-	1,307	1,307	(25,692)
Accounts payable	28,666	(1,098)	27,568	(19,874)
Due to other governments	-	(7)	(7)	(1,603)
Accrued salaries payable	-	140	140	(469)
Unearned revenue	-	(2,090)	(2,090)	(16,995)
Total adjustments	28,666	34,018	62,684	(7,279)
Net cash provided (used) by operating activities	\$ (88,590)	\$ 152,660	\$ 64,070	\$ (233,671)

CITY OF PLYMOUTH, MINNESOTA
INTERNAL SERVICE FUNDS
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET ASSETS
DECEMBER 31, 2011
(with comparative totals for December 31, 2010)

	Central Equipment	Public Facilities	Information Technology	Risk Management
<u>ASSETS</u>				
Current assets:				
Cash and investments	\$ 6,088,037	\$ 4,056,582	\$ 5,357,996	\$ 6,125,914
Accounts receivable	-	-	-	-
Accrued interest receivable	20,692	13,787	18,210	20,810
Due from other governments	5,395	-	-	-
Inventory	136,919	-	-	-
Prepaid expenses	-	5,673	-	5,000
Total current assets	<u>6,251,043</u>	<u>4,076,042</u>	<u>5,376,206</u>	<u>6,151,724</u>
Noncurrent assets:				
Capital assets:				
Land	33,520	-	-	-
Buildings	-	129,967	-	-
Improvements other than buildings	-	85,849	404,138	-
Machinery and equipment	14,120,059	227,262	2,298,634	-
Construction in progress	-	11,790	-	-
Total capital assets	<u>14,153,579</u>	<u>454,868</u>	<u>2,702,772</u>	<u>-</u>
Less accumulated depreciation	<u>(8,755,388)</u>	<u>(41,518)</u>	<u>(2,137,650)</u>	<u>-</u>
Net capital assets	<u>5,398,191</u>	<u>413,350</u>	<u>565,122</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 11,649,234</u>	<u>\$ 4,489,392</u>	<u>\$ 5,941,328</u>	<u>\$ 6,151,724</u>
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	\$ 79,111	\$ 60,055	\$ 51,108	\$ 539,737
Contracts Payable	-	-	-	-
Accrued salaries and benefits payable	5,759	3,300	18,496	3,359
Compensated absences payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	1,499	-	270	-
Unearned revenue	-	-	-	-
Total current liabilities	<u>86,369</u>	<u>63,355</u>	<u>69,874</u>	<u>543,096</u>
Noncurrent liabilities:				
OPEB (net)	-	-	-	-
Compensated absences payable	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>86,369</u>	<u>63,355</u>	<u>69,874</u>	<u>543,096</u>
<u>NET ASSETS</u>				
Invested in capital assets	5,398,191	413,350	565,122	-
Unrestricted	6,164,674	4,012,687	5,306,332	5,608,628
Total net assets	<u>11,562,865</u>	<u>4,426,037</u>	<u>5,871,454</u>	<u>5,608,628</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 11,649,234</u>	<u>\$ 4,489,392</u>	<u>\$ 5,941,328</u>	<u>\$ 6,151,724</u>

Employee Benefits	Resource Planning	Totals	
		2011	2010
\$ 4,527,223	\$ 1,654,190	\$ 27,809,942	\$ 25,702,293
2,863	-	2,863	124,977
15,248	5,612	94,359	39,191
-	-	5,395	9,176
-	-	136,919	120,851
188,915	-	199,588	3,077
<u>4,734,249</u>	<u>1,659,802</u>	<u>28,249,066</u>	<u>25,999,565</u>
-	-	33,520	33,520
-	-	129,967	103,118
-	-	489,987	489,987
-	-	16,645,955	16,601,217
-	-	11,790	-
-	-	17,311,219	17,227,842
-	-	(10,934,556)	(10,139,604)
-	-	6,376,663	7,088,238
<u>\$ 4,734,249</u>	<u>\$ 1,659,802</u>	<u>\$ 34,625,729</u>	<u>\$ 33,087,803</u>
\$ 19,687	\$ 1,919	\$ 751,617	\$ 849,878
-	-	-	27,768
130,868	-	161,782	170,458
1,594,752	-	1,594,752	1,433,808
20,000	-	20,000	-
138,789	-	140,558	2,021
-	350	350	525
<u>1,904,096</u>	<u>2,269</u>	<u>2,669,059</u>	<u>2,484,458</u>
777,489	-	777,489	606,745
763,393	-	763,393	991,250
<u>1,540,882</u>	<u>-</u>	<u>1,540,882</u>	<u>1,597,995</u>
<u>3,444,978</u>	<u>2,269</u>	<u>4,209,941</u>	<u>4,082,453</u>
-	-	6,376,663	7,088,238
1,289,271	1,657,533	24,039,125	21,917,112
<u>1,289,271</u>	<u>1,657,533</u>	<u>30,415,788</u>	<u>29,005,350</u>
<u>\$ 4,734,249</u>	<u>\$ 1,659,802</u>	<u>\$ 34,625,729</u>	<u>\$ 33,087,803</u>

CITY OF PLYMOUTH, MINNESOTA
INTERNAL SERVICE FUNDS
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2011
(with comparative totals for year ended December 31, 2010)

	<u>Central Equipment</u>	<u>Public Facilities</u>	<u>Information Technology</u>	<u>Risk Management</u>
OPERATING REVENUES:				
Charges for services	\$ 2,431,541	\$ 1,596,495	\$ 2,112,629	\$ -
Other	-	-	-	282,884
Total operating revenue	<u>2,431,541</u>	<u>1,596,495</u>	<u>2,112,629</u>	<u>282,884</u>
OPERATING EXPENSES:				
Personal services	290,972	170,840	687,591	82,757
Materials and supplies	717,668	18,001	133,115	-
Contractual services	206,150	839,478	679,640	817,922
Depreciation	1,052,102	19,541	254,061	-
Total operating expenses	<u>2,266,892</u>	<u>1,047,860</u>	<u>1,754,407</u>	<u>900,679</u>
OPERATING INCOME (LOSS)	<u>164,649</u>	<u>548,635</u>	<u>358,222</u>	<u>(617,795)</u>
NONOPERATING REVENUES (EXPENSES):				
Interest income	102,552	68,591	90,419	108,812
Intergovernmental	-	-	-	-
Gain (loss) on disposal of capital assets	97,751	-	(216)	-
Contributions	-	-	-	-
Reassignment of capital assets	-	-	-	-
Other	2,723	12,089	-	-
Total nonoperating revenues	<u>203,026</u>	<u>80,680</u>	<u>90,203</u>	<u>108,812</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>367,675</u>	<u>629,315</u>	<u>448,425</u>	<u>(508,983)</u>
CAPITAL CONTRIBUTIONS	11,449	-	-	-
TRANSFERS IN	5,859	16,475	10,000	645,554
TRANSFERS OUT	<u>(10,450)</u>	<u>(4,750)</u>	<u>-</u>	<u>(14,493)</u>
CHANGES IN NET ASSETS	374,533	641,040	458,425	122,078
NET ASSETS AT BEGINNING OF YEAR	<u>11,188,332</u>	<u>3,784,997</u>	<u>5,413,029</u>	<u>5,486,550</u>
NET ASSETS AT END OF YEAR	<u>\$ 11,562,865</u>	<u>\$ 4,426,037</u>	<u>\$ 5,871,454</u>	<u>\$ 5,608,628</u>

Employee Benefits	Resource Planning	Totals	
		2011	2010
\$ 2,569,464	\$ 25,494	\$ 8,735,623	\$ 8,746,042
-	-	282,884	233,479
<u>2,569,464</u>	<u>25,494</u>	<u>9,018,507</u>	<u>8,979,521</u>
2,755,512	-	3,987,672	4,059,247
-	89,021	957,805	922,314
895	9,347	2,553,432	2,952,310
-	-	1,325,704	1,423,938
<u>2,756,407</u>	<u>98,368</u>	<u>8,824,613</u>	<u>9,357,809</u>
(186,943)	(72,874)	193,894	(378,288)
83,042	31,713	485,129	90,238
-	27,705	27,705	79,710
-	-	97,535	81,337
-	-	-	3,500
-	-	-	(13,433)
5,260	1,650	21,722	14,597
<u>88,302</u>	<u>61,068</u>	<u>632,091</u>	<u>255,949</u>
(98,641)	(11,806)	825,985	(122,339)
-	73,986	85,435	138,193
-	191,000	868,888	991,354
-	(340,177)	(369,870)	(290,163)
(98,641)	(86,997)	1,410,438	717,045
<u>1,387,912</u>	<u>1,744,530</u>	<u>29,005,350</u>	<u>28,288,305</u>
<u>\$ 1,289,271</u>	<u>\$ 1,657,533</u>	<u>\$ 30,415,788</u>	<u>\$ 29,005,350</u>

CITY OF PLYMOUTH, MINNESOTA
INTERNAL SERVICE FUNDS
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2011
(with comparative totals for year ended December 31, 2010)

	<u>Central Equipment</u>	<u>Public Facilities</u>	<u>Information Technology</u>	<u>Risk Management</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers or users	\$ 2,435,376	\$ 1,596,495	\$ 2,113,029	\$ 52,362
Payments to suppliers	(941,453)	(902,467)	(776,312)	(933,598)
Payments to employees	(291,113)	(170,802)	(683,460)	(80,963)
Other operating revenue	2,723	12,089	-	282,884
Net cash provided (used) by operating activities	<u>1,205,533</u>	<u>535,315</u>	<u>653,257</u>	<u>(679,315)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Intergovernmental revenues	-	-	-	-
Contributions	-	-	-	-
Transfers in from other funds	5,859	16,475	10,000	645,554
Transfers out to other funds	(10,450)	(4,750)	-	(14,493)
Net cash provided (used) by noncapital financing activities	<u>(4,591)</u>	<u>11,725</u>	<u>10,000</u>	<u>631,061</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(442,195)	(74,159)	(87,482)	-
Contributions	-	-	-	-
Proceeds from sale of capital assets	98,682	-	10	-
Net cash used by capital and related financing activities	<u>(343,513)</u>	<u>(74,159)</u>	<u>(87,472)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment earnings	89,748	59,996	79,424	97,317
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	947,177	532,877	655,209	49,063
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>\$ 5,140,860</u>	<u>\$ 3,523,705</u>	<u>\$ 4,702,787</u>	<u>\$ 6,076,851</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 6,088,037</u></u>	<u><u>\$ 4,056,582</u></u>	<u><u>\$ 5,357,996</u></u>	<u><u>\$ 6,125,914</u></u>

(Continued...)

Employee Benefits	Resource Planning	Totals	
		2011	2010
\$ 2,569,464	\$ 25,319	\$ 8,792,045	\$ 8,706,528
(60,054)	(97,425)	(3,711,309)	(3,462,689)
(2,576,881)	-	(3,803,219)	(3,720,189)
5,260	1,650	304,606	248,076
<u>(62,211)</u>	<u>(70,456)</u>	<u>1,582,123</u>	<u>1,771,726</u>
-	27,705	27,705	79,710
-	-	-	3,500
-	191,000	868,888	991,354
-	(340,177)	(369,870)	(262,395)
<u>-</u>	<u>(121,472)</u>	<u>526,723</u>	<u>812,169</u>
-	-	(603,836)	(1,158,134)
-	73,986	73,986	89,318
-	-	98,692	96,212
<u>-</u>	<u>73,986</u>	<u>(431,158)</u>	<u>(972,604)</u>
<u>74,708</u>	<u>28,768</u>	<u>429,961</u>	<u>108,133</u>
12,497	(89,174)	2,107,649	1,719,424
<u>\$ 4,514,726</u>	<u>\$ 1,743,364</u>	<u>25,702,293</u>	<u>23,982,869</u>
<u>\$ 4,527,223</u>	<u>\$ 1,654,190</u>	<u>\$ 27,809,942</u>	<u>\$ 25,702,293</u>

CITY OF PLYMOUTH, MINNESOTA
INTERNAL SERVICE FUNDS
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2011
(with comparative totals for year ended December 31, 2010)

(Continued from previous page)

	<u>Central Equipment</u>	<u>Public Facilities</u>	<u>Information Technology</u>	<u>Risk Management</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 164,649	\$ 548,635	\$ 358,222	\$ (617,795)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	1,052,102	19,541	254,061	-
Other revenues	2,723	12,089	-	-
Changes in assets and liabilities:				
Accounts receivable	54	-	400	52,362
Due from other governments	3,781	-	-	-
Inventory	(16,068)	-	-	-
Prepaid expenses	-	(2,596)	-	(5,000)
Accounts payable	(1,142)	(42,392)	36,270	(110,676)
Due to other funds	-	-	-	-
Due to other governments	(425)	-	173	-
Accrued salaries payable	(141)	38	4,131	1,794
OPEB	-	-	-	-
Compensated absences payable	-	-	-	-
Unearned revenue	-	-	-	-
Total adjustments	<u>1,040,884</u>	<u>(13,320)</u>	<u>295,035</u>	<u>(61,520)</u>
Net cash provided (used) by operating activities	<u>\$ 1,205,533</u>	<u>\$ 535,315</u>	<u>\$ 653,257</u>	<u>\$ (679,315)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
Contributions of capital assets from other City funds	\$ -	\$ -	\$ -	\$ -
Contribution of capital asset from others	11,449	-	-	-
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	-	(27,768)	-	-

Employee Benefits	Resource Planning	Totals	
		2011	2010
\$ (186,943)	\$ (72,874)	\$ 193,894	\$ (378,288)
-	-	1,325,704	1,423,938
5,260	1,650	21,722	14,597
69,298	-	122,114	(114,452)
-	-	3,781	3,002
-	-	(16,068)	(2,596)
(188,915)	-	(196,511)	254,690
(9,033)	943	(126,030)	160,803
20,000	-	20,000	(30,000)
138,789	-	138,537	(962)
(14,498)	-	(8,676)	123,082
170,744	-	170,744	204,957
(66,913)	-	(66,913)	113,180
-	(175)	(175)	(225)
<u>124,732</u>	<u>2,418</u>	<u>1,388,229</u>	<u>2,150,014</u>
<u>\$ (62,211)</u>	<u>\$ (70,456)</u>	<u>\$ 1,582,123</u>	<u>\$ 1,771,726</u>
\$ -	\$ -	\$ -	\$ 48,875
-	-	11,449	-
-	-	-	13,000
-	-	-	41,201
-	-	(27,768)	(18,223)

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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 ASSETS
DECEMBER 31, 2011

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 2,451,514	\$ 2,188,203	\$ 4,639,717
Restricted cash and investments	-	3,148,656	3,148,656
Accounts receivable	49,377	7,181	56,558
Notes receivable	1,214,400	-	1,214,400
Taxes receivable	8,242	-	8,242
Accrued interest receivable	77,717	5,536	83,253
Due from other governments	1,668	-	1,668
Prepaid items	235,273	29,371	264,644
Deferred charges	-	127,676	127,676
Capital assets:			
Nondepreciable:			
Land	-	1,333,840	1,333,840
Construction in progress	-	3,475	3,475
Depreciable (net):			
Buildings	168,357	10,772,215	10,940,572
Improvements other than buildings	-	226,674	226,674
Machinery and equipment	-	211,570	211,570
TOTAL ASSETS	\$ 4,206,548	\$ 18,054,397	\$ 22,260,945
LIABILITIES			
Accounts payable	\$ 1,127	\$ 24,862	\$ 25,989
Accrued salaries and benefits payable	7,657	8,982	16,639
Deposits payable	20,000	97,726	117,726
Due to other governments	-	83,633	83,633
Accrued interest payable	-	252,865	252,865
Noncurrent liabilities:			
Due within one year	-	3,430,887	3,430,887
Due in more than one year	-	13,270,223	13,270,223
Total liabilities	<u>28,784</u>	<u>17,169,178</u>	<u>17,197,962</u>
NET ASSETS			
Invested in capital assets, net of related debt	168,357	(914,093)	(745,736)
Restricted for			
Debt service	-	484,846	484,846
Housing projects	4,009,407	-	4,009,407
Unrestricted	-	1,314,466	1,314,466
Total net assets	<u>4,177,764</u>	<u>885,219</u>	<u>5,062,983</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 4,206,548	\$ 18,054,397	\$ 22,260,945

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2011

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Public service	\$ 4,060,315	\$ -	\$ 3,931,805	\$ -
Business-type activities:				
Plymouth Towne Square	894,519	905,955	-	-
Vicksburg Crossing	1,261,412	1,127,118	-	-
Total business-type activities	2,155,931	2,033,073	-	-
Total HRA government	<u>\$ 6,216,246</u>	<u>\$ 2,033,073</u>	<u>\$ 3,931,805</u>	<u>\$ -</u>

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

CHANGE IN NET ASSETS

NET ASSETS - BEGINNING

NET ASSETS - ENDING

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (128,510)	\$ -	\$ (128,510)
-	11,436	11,436
-	(134,294)	(134,294)
-	(122,858)	(122,858)
(128,510)	(122,858)	(251,368)
523,759	-	523,759
55,948	35,484	91,432
42,592	-	42,592
622,299	35,484	657,783
493,789	(87,374)	406,415
3,683,975	972,593	4,656,568
<u>\$ 4,177,764</u>	<u>\$ 885,219</u>	<u>\$ 5,062,983</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2011
(with comparative totals for December 31, 2010)

	General	Housing Assistance	Totals	
			2011	2010
ASSETS				
Cash and investments	\$ 1,825,647	\$ 625,867	\$ 2,451,514	\$ 2,271,477
Accounts receivable	825	48,552	49,377	33,501
Intergovernmental receivable	-	1,668	1,668	-
Notes receivable	1,214,400	-	1,214,400	943,587
Taxes receivable	8,242	-	8,242	7,987
Accrued interest receivable	75,592	2,125	77,717	66,009
Prepaid expenses	-	235,273	235,273	238,229
TOTAL ASSETS	\$ 3,124,706	\$ 913,485	\$ 4,038,191	\$ 3,560,790
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 756	\$ 371	\$ 1,127	\$ 22,867
Accrued salaries and benefits payable	3,415	4,242	7,657	7,545
Deposits Payable	20,000	-	20,000	20,000
Deferred revenue	1,290,630	32,028	1,322,658	1,045,763
Total liabilities	<u>1,314,801</u>	<u>36,641</u>	<u>1,351,442</u>	<u>1,096,175</u>
Fund balances:				
Nonspendable				
Prepaid expenses	-	235,273	235,273	238,229
Restricted for housing projects	1,809,905	641,571	2,451,476	2,226,386
Total fund balances	<u>1,809,905</u>	<u>876,844</u>	<u>2,686,749</u>	<u>2,464,615</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,124,706	\$ 913,485	\$ 4,038,191	\$ 3,560,790

**HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
 DECEMBER 31, 2011**

FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 2,686,749

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

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

Capital assets	175,169	
Accumulated depreciation	<u>(6,812)</u>	168,357

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

	<u>1,322,658</u>	
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NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 4,177,764

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2011
(with comparative totals for year ended December 31, 2010)

	General	Housing Assistance	Totals	
			2011	2010
REVENUES:				
General property taxes	\$ 523,958	\$ -	\$ 523,958	\$ 525,636
Intergovernmental	312,668	3,341,444	3,654,112	3,530,570
Contributions	-	-	-	30,000
Interest income	42,627	13,321	55,948	21,847
Other revenues	42,525	67	42,592	41,197
Total revenues	<u>921,778</u>	<u>3,354,832</u>	<u>4,276,610</u>	<u>4,149,250</u>
EXPENDITURES:				
Current:				
Public service	<u>779,623</u>	<u>3,274,853</u>	<u>4,054,476</u>	<u>4,150,181</u>
NET CHANGE IN FUND BALANCE	142,155	79,979	222,134	(931)
FUND BALANCES AT BEGINNING OF YEAR	<u>1,667,750</u>	<u>796,865</u>	<u>2,464,615</u>	<u>2,465,546</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,809,905</u>	<u>\$ 876,844</u>	<u>\$ 2,686,749</u>	<u>\$ 2,464,615</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, 2011**

NET INCREASE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 222,134

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

1. Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.
Depreciation expense (5,839)
2. Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds. 277,494

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 493,789

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, 2011
(with comparative totals for year ended December 31, 2010)

	2011			Variance with Final Budget	2010
	Original Budget	Final Budget	Actual		Actual
REVENUES:					
General property taxes	\$ 537,769	\$ 537,769	\$ 523,958	\$ (13,811)	\$ 525,636
Intergovernmental	-	190,604	312,668	122,064	205,888
Contributions	-	-	-	-	30,000
Interest income	30,000	30,000	42,627	12,627	18,817
Other revenues	21,250	21,250	42,525	21,275	41,197
Total revenues	<u>589,019</u>	<u>779,623</u>	<u>921,778</u>	<u>142,155</u>	<u>821,538</u>
EXPENDITURES:					
Public service:					
Personal services	175,977	175,977	174,312	1,665	164,285
Materials and supplies	500	500	-	500	203
Contractual services:					
Housing assistance	360,501	265,000	264,000	1,000	339,996
Grant awards	-	300,000	300,000	-	200,000
Other	52,041	38,146	41,311	(3,165)	208,457
Total expenditures	<u>589,019</u>	<u>779,623</u>	<u>779,623</u>	<u>-</u>	<u>912,941</u>
NET CHANGE IN FUND BALANCE	-	-	142,155	142,155	(91,403)
FUND BALANCES AT BEGINNING OF YEAR	<u>1,667,750</u>	<u>1,667,750</u>	<u>1,667,750</u>	<u>-</u>	<u>1,759,153</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,667,750</u>	<u>\$ 1,667,750</u>	<u>\$ 1,809,905</u>	<u>\$ 142,155</u>	<u>\$ 1,667,750</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, 2011
(with comparative totals for year ended December 31, 2010)

	2011			2010
	Original and Final Budget	Actual	Variance with Final Budget	Actual
REVENUES:				
Intergovernmental	\$ 3,283,890	\$ 3,341,444	\$ 57,554	\$ 3,324,682
Interest income	8,000	13,321	5,321	3,030
Other	-	67	67	-
Total revenues	<u>3,291,890</u>	<u>3,354,832</u>	<u>62,942</u>	<u>3,327,712</u>
EXPENDITURES:				
Public service:				
Personal services	220,561	218,220	2,341	213,566
Materials and supplies	500	30	470	-
Contractual services:				
Housing assistance	3,003,500	3,006,667	(3,167)	2,965,553
Other	67,329	49,936	17,393	58,121
Total expenditures	<u>3,291,890</u>	<u>3,274,853</u>	<u>17,037</u>	<u>3,237,240</u>
NET CHANGE IN FUND BALANCE	-	79,979	79,979	90,472
FUND BALANCES AT BEGINNING OF YEAR	<u>796,865</u>	<u>796,865</u>	-	<u>706,393</u>
FUND BALANCES AT END OF YEAR	<u>\$ 796,865</u>	<u>\$ 876,844</u>	<u>\$ 79,979</u>	<u>\$ 796,865</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
DECEMBER 31, 2011
(with comparative totals for December 31, 2010)

	Plymouth Towne Square	Vicksburg Crossing	Totals	
			2011	2010
<u>ASSETS</u>				
Current assets:				
Cash and investments	\$ 1,094,239	\$ 1,093,964	\$ 2,188,203	\$ 2,000,441
Restricted cash and investments	3,148,656	-	3,148,656	-
Accounts receivable	6,881	300	7,181	3,328
Accrued interest receivable	3,293	2,243	5,536	2,376
Prepaid expenses	14,309	15,062	29,371	28,692
Total current assets	<u>4,267,378</u>	<u>1,111,569</u>	<u>5,378,947</u>	<u>2,034,837</u>
Noncurrent assets:				
Deferred charges	72,715	54,961	127,676	98,281
Capital assets:				
Land	459,247	874,593	1,333,840	1,333,840
Construction in progress	3,475	-	3,475	-
Buildings	6,069,398	9,025,427	15,094,825	15,094,825
Improvements other than buildings	111,390	238,793	350,183	350,183
Machinery and equipment	258,796	353,668	612,464	612,464
Total capital assets	6,902,306	10,492,481	17,394,787	17,391,312
Less accumulated depreciation	<u>(2,975,346)</u>	<u>(1,871,667)</u>	<u>(4,847,013)</u>	<u>(4,284,004)</u>
Net capital assets	<u>3,926,960</u>	<u>8,620,814</u>	<u>12,547,774</u>	<u>13,107,308</u>
Total noncurrent assets	<u>3,999,675</u>	<u>8,675,775</u>	<u>12,675,450</u>	<u>13,205,589</u>
TOTAL ASSETS	<u>\$ 8,267,053</u>	<u>\$ 9,787,344</u>	<u>\$ 18,054,397</u>	<u>\$ 15,240,426</u>
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	\$ 8,656	\$ 16,206	\$ 24,862	\$ 35,655
Accrued salaries and benefits payable	4,491	4,491	8,982	10,942
Deposits payable	47,901	49,825	97,726	95,700
Due to other governments	30,901	52,732	83,633	79,402
Accrued interest payable	58,047	194,818	252,865	233,004
Revenue bonds payable	3,262,142	168,745	3,430,887	351,263
Total current liabilities	<u>3,412,138</u>	<u>486,817</u>	<u>3,898,955</u>	<u>805,966</u>
Noncurrent liabilities:				
Revenue bonds payable (net of unamortized discounts)	3,232,923	10,037,300	13,270,223	13,461,867
Total liabilities	<u>6,645,061</u>	<u>10,524,117</u>	<u>17,169,178</u>	<u>14,267,833</u>
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	671,138	(1,585,231)	(914,093)	(705,822)
Restricted for debt service	68,328	416,518	484,846	602,932
Unrestricted	882,526	431,940	1,314,466	1,075,483
Total net assets	<u>1,621,992</u>	<u>(736,773)</u>	<u>885,219</u>	<u>972,593</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,267,053</u>	<u>\$ 9,787,344</u>	<u>\$ 18,054,397</u>	<u>\$ 15,240,426</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET ASSETS
YEAR ENDED DECEMBER 31, 2011
(with comparative totals for year ended December 31, 2010)

	Plymouth Towne Square	Vicksburg Crossing	Totals	
			2011	2010
OPERATING REVENUES:				
Rental revenue	\$ 905,955	\$ 1,127,118	\$ 2,033,073	\$ 2,020,114
OPERATING EXPENSES:				
Personal services	94,568	93,779	188,347	198,165
Materials and supplies	20,103	7,499	27,602	31,667
Contractual services	357,691	320,275	677,966	623,788
Depreciation	195,260	367,749	563,009	564,255
Total operating expenses	667,622	789,302	1,456,924	1,417,875
OPERATING INCOME	238,333	337,816	576,149	602,239
NONOPERATING REVENUES (EXPENSES):				
Interest income	25,410	10,074	35,484	4,752
Amortization	(2,910)	(3,635)	(6,545)	(12,738)
Interest expense	(223,987)	(468,475)	(692,462)	(622,538)
Total nonoperating revenues (expenses)	(201,487)	(462,036)	(663,523)	(630,524)
CHANGES IN NET ASSETS	36,846	(124,220)	(87,374)	(28,285)
NET ASSETS AT BEGINNING OF YEAR	1,585,146	(612,553)	972,593	1,000,878
NET ASSETS AT END OF YEAR	\$ 1,621,992	\$ (736,773)	\$ 885,219	\$ 972,593

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2011
(with comparative totals for year ended December 31, 2010)

	Plymouth Towne Square	Vicksburg Crossing	Totals	
			2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers or users	\$ 902,375	\$ 1,128,871	\$ 2,031,246	\$ 2,020,828
Payments to suppliers	(386,127)	(326,680)	(712,807)	(643,638)
Payments to employees	(95,548)	(94,759)	(190,307)	(195,813)
Net cash provided by operating activities	<u>420,700</u>	<u>707,432</u>	<u>1,128,132</u>	<u>1,181,377</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(3,475)	-	(3,475)	-
Bond proceeds received	3,207,039	-	3,207,039	-
Principal paid on capital debt	(205,000)	(150,000)	(355,000)	(340,000)
Interest paid on capital debt	(201,783)	(470,818)	(672,601)	(626,301)
Net cash used by capital and related financing activities	<u>2,796,781</u>	<u>(620,818)</u>	<u>2,175,963</u>	<u>(966,301)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income	<u>23,468</u>	<u>8,855</u>	<u>32,323</u>	<u>5,938</u>
INCREASE IN CASH AND CASH EQUIVALENTS	<u>3,240,949</u>	<u>95,469</u>	<u>3,336,418</u>	<u>221,014</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,001,946</u>	<u>998,495</u>	<u>2,000,441</u>	<u>1,779,427</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 4,242,895</u>	<u>\$ 1,093,964</u>	<u>\$ 5,336,859</u>	<u>\$ 2,000,441</u>

(Continued...)

HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA
ENTERPRISE FUNDS
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2011
(with comparative totals for year ended December 31, 2010)

(Continued from previous page)

	<u>Plymouth Towne Square</u>	<u>Vicksburg Crossing</u>	<u>Totals</u>	
			<u>2011</u>	<u>2010</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income	<u>\$ 238,333</u>	<u>\$ 337,816</u>	<u>\$ 576,149</u>	<u>\$ 602,239</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	195,260	367,749	563,009	564,255
Changes in assets and liabilities:				
Accounts receivable	(6,114)	2,261	(3,853)	(2,220)
Prepaid expenses	36	(714)	(678)	3,174
Accounts payable	(10,217)	(576)	(10,793)	5,060
Accrued salaries payable	(980)	(980)	(1,960)	2,352
Due to other governments	1,848	2,384	4,232	3,583
Unearned revenue	-	-	-	(370)
Deposits payable	2,534	(508)	2,026	3,304
Total adjustments	<u>182,367</u>	<u>369,616</u>	<u>551,983</u>	<u>579,138</u>
Net cash provided by operating activities	<u>\$ 420,700</u>	<u>\$ 707,432</u>	<u>\$ 1,128,132</u>	<u>\$ 1,181,377</u>

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STATISTICAL SECTION

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities									
Invested in capital assets, net of related debt	\$ 131,702	\$ 134,717	\$ 140,490	\$ 147,612	\$ 150,167	\$ 155,191	\$ 154,183	\$ 155,551	\$ 161,820
Restricted	17,864	15,397	15,338	17,533	4,772	5,324	5,615	5,744	16,127
Unrestricted	36,500	44,798	46,982	47,610	70,517	73,960	76,294	79,792	76,773
Total government activities net of assets	\$ 186,066	\$ 194,912	\$ 202,810	\$ 212,755	\$ 225,456	\$ 234,475	\$ 236,092	\$ 241,087	\$ 254,720
Business-type activities									
Invested in capital assets, net of related debt	\$ 54,900	\$ 65,713	\$ 83,108	\$ 89,696	\$ 91,541	\$ 91,502	\$ 92,630	\$ 92,171	\$ 98,947
Restricted	38,527	28,414	18,655	20,053	18,377	19,658	18,876	20,833	22,515
Unrestricted	17,569	23,886	18,901	16,719	17,241	16,054	15,756	13,541	12,781
Total business-type activities net assets	\$ 110,996	\$ 118,013	\$ 120,664	\$ 126,468	\$ 127,159	\$ 127,214	\$ 127,262	\$ 126,545	\$ 134,243
Primary government									
Invested in capital assets, net of related debt	\$ 186,602	\$ 200,430	\$ 223,598	\$ 237,308	\$ 241,708	\$ 246,693	\$ 246,813	\$ 247,722	\$ 260,767
Restricted	56,391	43,811	33,993	37,586	23,149	24,982	24,491	26,577	38,642
Unrestricted	54,069	68,684	65,883	64,329	87,758	90,014	92,050	93,333	89,554
Total primary government net assets	\$ 297,062	\$ 312,925	\$ 323,474	\$ 339,223	\$ 352,615	\$ 361,689	\$ 363,354	\$ 367,632	\$ 388,963

Note: Net assets are not available for years prior to 2003. The City will expand to ten years next year.

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental activities:									
General government	\$ 4,811	\$ 4,897	\$ 4,905	\$ 5,172	\$ 8,268	\$ 5,398	\$ 4,979	\$ 4,733	\$ 4,300
Economic development	-	-	-	-	-	-	-	226	353
Parks and recreation	6,058	6,530	6,634	6,932	7,694	7,914	7,498	7,977	8,115
Public safety	8,624	9,387	9,865	12,222	12,221	14,214	14,214	14,296	13,713
Public service	4,744	5,187	5,013	6,004	4,377	4,541	4,323	5,102	4,432
Public works	8,828	8,794	9,101	10,978	10,051	10,374	10,876	10,615	11,936
Interest on long-term debt	440	623	776	745	701	772	757	648	636
Total governmental activities expenses	\$ 33,505	\$ 35,418	\$ 36,294	\$ 42,053	\$ 43,312	\$ 43,213	\$ 42,647	\$ 43,597	\$ 43,485
Business-type activities:									
Water sewer utility	10,094	9,956	10,790	13,206	14,528	14,620	14,789	14,234	14,497
Ice center	1,060	1,129	1,650	1,602	1,700	1,761	1,623	1,669	1,726
Solid waste management	782	789	915	813	969	1,029	944	1,049	1,055
Water resources	1,379	1,600	1,862	1,942	1,714	1,922	2,086	1,829	1,818
Field house	299	291	302	305	307	299	293	255	230
Total business-type activities expenses	\$ 13,614	\$ 13,765	\$ 15,519	\$ 17,868	\$ 19,218	\$ 19,631	\$ 19,736	\$ 19,036	\$ 19,326
Total primary government expenses	\$ 47,119	\$ 49,183	\$ 51,813	\$ 59,921	\$ 62,530	\$ 62,844	\$ 62,382	\$ 62,633	\$ 62,811
Program Revenues									
Governmental activities:									
Charges for services:									
General government	\$ 2,824	\$ 2,807	\$ 2,999	\$ 3,441	\$ 3,731	\$ 3,588	\$ 333	\$ 469	\$ 539
Economic development	-	-	-	-	-	-	-	7	7
Parks and recreation	1,137	1,096	1,111	1,172	1,280	1,451	1,312	1,461	1,519
Public safety	215	220	232	266	1,313	293	2,176	2,385	3,884
Public service	11	226	754	803	1,126	1,098	1,009	953	1,078
Public works	621	655	647	863	808	806	576	1,503	1,936
Operating grants and contributions	5,537	5,646	5,501	6,253	6,027	10,075	7,118	6,910	5,579
Capital grants and contributions	7,780	4,545	9,849	12,842	10,042	2,869	2,138	3,578	9,093
Total governmental activities program revenues	\$ 18,125	\$ 15,195	\$ 21,093	\$ 25,640	\$ 24,327	\$ 20,180	\$ 14,662	\$ 17,266	\$ 23,635

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	
Business-type activities:										
Charges for services:										
Water sewer utility	\$ 8,878	\$ 9,023	\$ 9,611	\$ 10,404	\$ 11,830	\$ 12,276	\$ 13,089	\$ 12,950	\$ 13,546	
Ice center	854	962	1,278	1,230	1,261	1,372	1,406	1,401	1,407	
Solid waste management	810	1,004	1,073	917	1,072	1,296	411	710	941	
Water resources	1,617	1,655	1,864	2,032	2,190	2,366	2,547	2,591	2,562	
Field house	267	304	299	294	301	358	364	369	348	
Operating grants and contributions	170	213	244	522	186	717	236	1,087	372	
Capital grants and contributions	1,455	5,145	1,908	6,187	2,138	1,071	589	778	10,564	
Total business-type activities program revenues	14,051	18,306	16,277	21,586	18,978	19,456	18,642	19,886	29,740	
Total primary government program revenues	\$ 32,176	\$ 33,501	\$ 37,370	\$ 47,226	\$ 43,305	\$ 39,636	\$ 33,304	\$ 37,152	\$ 53,375	
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes	\$ 17,787	\$ 19,051	\$ 21,134	\$ 23,357	\$ 26,086	\$ 27,543	\$ 29,057	\$ 28,581	\$ 28,551	
Unrestricted investment earnings	1,429	1,559	1,547	3,018	3,962	2,881	732	361	1,704	
Gain on sale of capital assets	97	653	140	138	10	59	102	81	-	
Other	160	101	637	102	216	241	195	348	12	
Transfers	13	(879)	(359)	(257)	1,411	1,328	(485)	1,954	3,216	
Total governmental activities	19,486	20,485	23,099	26,358	31,685	32,052	29,602	31,325	33,483	
Business-type activities:										
Unrestricted investment earnings	1,461	1,337	1,230	1,579	2,229	1,433	571	366	489	
Gain on sale of capital assets	26	-	-	-	-	-	-	-	-	
Other	319	259	304	250	113	125	85	21	11	
Transfers	(13)	879	359	257	(1,411)	(1,328)	485	(1,954)	(3,216)	
Total business-type activities	1,793	2,475	1,893	2,086	931	230	1,142	(1,567)	(2,716)	
Total primary government	\$ 21,279	\$ 22,960	\$ 24,992	\$ 28,444	\$ 32,616	\$ 32,282	\$ 30,743	\$ 29,758	\$ 30,767	
Change in Net Assets										
Governmental activities	\$ 4,106	\$ 262	\$ 7,898	\$ 9,945	\$ 12,700	\$ 9,019	\$ 1,617	\$ 4,994	\$ 13,633	
Business-type activities	2,230	7,016	2,651	5,804	691	55	48	(717)	7,698	
Total primary government	\$ 6,336	\$ 7,278	\$ 10,549	\$ 15,749	\$ 13,391	\$ 9,074	\$ 1,665	\$ 4,277	\$ 21,331	

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

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

<u>Fiscal Year</u>	<u>Property Tax</u>
2003	\$ 17,787
2004	19,051
2005	21,134
2006	23,357
2007	26,086
2008	27,543
2009	29,057
2010	28,581
2011	28,551

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

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011		
General fund										
Nonspendable	\$ -	\$ -	\$ -	\$ 10	\$ 8	\$ 7	\$ 6	\$ 10		
Assigned	-	-	-	68	1,333	246	585	633		
Unassigned	8,949	9,430	10,354	10,943	9,927	11,478	11,246	11,365		
Total general fund	\$ 8,949	\$ 9,430	\$ 10,354	\$ 11,021	\$ 11,268	\$ 11,731	\$ 11,837	\$ 12,008		
All other governmental funds										
Nonspendable	\$ 46	\$ 46	\$ 46	\$ 46	\$ 46	\$ 46	\$ 46	\$ 46		
Restricted	7,670	8,217	10,082	10,769	12,568	16,777	14,515	15,289		
Assigned	37,546	32,125	29,552	32,570	32,571	33,505	34,137	38,214		
Unassigned	(2,875)	(991)	(128)	-	-	(1)	(1)	(1)		
Total all other governmental funds	42,387	39,397	39,552	43,385	45,185	50,327	48,697	53,548		
Total Governmental Funds	\$ 51,336	\$ 48,827	\$ 49,906	\$ 54,406	\$ 56,453	\$ 62,058	\$ 60,534	\$ 65,556		

Note: The City implemented GASB Statement No. 54 in fiscal 2011. This information is not available prior to 2004.
 The City will expand to ten years in future reports.

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	
Revenues										
General property taxes	\$ 17,818	\$ 19,002	\$ 21,115	\$ 23,299	\$ 26,030	\$ 27,465	\$ 29,037	\$ 28,633	\$ 28,547	
Special assessments	127	369	201	172	152	134	128	86	88	
Licenses and permits	2,643	2,632	2,726	3,138	3,420	3,828	2,272	2,466	3,242	
Intergovernmental	9,054	6,287	9,921	8,019	10,824	8,099	7,687	8,399	6,809	
Charges for current services	1,803	2,151	2,717	3,050	3,551	3,238	3,422	4,061	4,635	
Fines and forfeitures	568	881	860	939	894	897	798	733	878	
Contributions	1,489	838	1,241	1,424	633	705	92	1,151	1,476	
Interest Income	1,139	1,230	1,212	2,221	2,852	2,095	568	290	1,234	
Loan Repayments	-	-	-	-	-	-	5	7	7	
Other revenue	444	199	733	445	459	278	227	333	262	
Total Revenue	35,085	33,589	40,726	42,707	48,815	46,739	44,236	46,159	47,178	
Expenditures										
General government	4,267	4,545	4,604	4,801	5,309	4,341	4,103	4,365	4,177	
Economic development	-	-	-	-	-	-	-	226	953	
Parks and recreation	4,905	5,225	5,478	5,548	6,072	6,219	6,300	6,621	6,744	
Public safety	8,625	8,945	9,697	10,718	11,655	13,222	13,511	13,856	13,478	
Public service	4,511	4,308	4,777	4,596	4,362	4,452	4,449	4,017	4,248	
Public works	3,258	3,204	3,472	3,159	4,099	4,294	4,155	5,065	5,118	
Interest on interfund advances	8,606	91	82	72	62	51	39	27	76	
Debt service:										
Principal retirement	465	500	990	1,390	1,535	1,600	1,690	1,920	1,445	
Interest and fiscal charges	439	509	758	783	723	752	759	682	652	
Bond issuance costs	-	-	-	-	30	-	49	37	-	
Capital outlay	8,606	11,325	16,502	11,821	17,174	11,235	7,636	11,909	10,289	
Total Expenditures	43,682	38,652	46,360	42,888	51,021	46,166	42,691	48,725	47,180	
Excess of revenues over (under) expenditures	(8,597)	(5,063)	(5,634)	(181)	(2,206)	573	1,545	(2,566)	(2)	

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Other financing sources (uses)									
Transfers in	\$ 10,459	\$ 6,681	\$ 12,183	\$ 5,552	\$ 16,901	\$ 11,858	\$ 8,505	\$ 16,611	\$ 16,988
Transfers out	(9,685)	(7,860)	(9,115)	(4,292)	(12,945)	(10,384)	(8,449)	(14,658)	(11,965)
Bonds issued	5,715	7,480	1,370	-	2,715	-	3,935	2,990	-
Payment on refunded bonds	-	-	(1,300)	-	-	-	-	(3,950)	-
Premium (discount) on debt	10	98	(12)	-	(7)	-	69	49	-
Sale of capital assets	-	697	-	-	42	-	-	-	-
Total other financing sources (uses)	<u>6,499</u>	<u>7,096</u>	<u>3,126</u>	<u>1,260</u>	<u>6,706</u>	<u>1,474</u>	<u>4,060</u>	<u>1,042</u>	<u>5,023</u>
Net change in fund balances	<u>\$ (2,098)</u>	<u>\$ 2,033</u>	<u>\$ (2,508)</u>	<u>\$ 1,079</u>	<u>\$ 4,500</u>	<u>\$ 2,047</u>	<u>\$ 5,605</u>	<u>\$ (1,524)</u>	<u>\$ 5,021</u>
Debt service as a percentage of noncapital expenditures	2.52%	3.58%	5.58%	6.24%	6.18%	6.63%	6.70%	7.07%	5.68%

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

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

<u>Fiscal Year</u>	<u>Property Tax</u>
2003	\$ 17,818
2004	19,002
2005	21,115
2006	23,299
2007	26,030
2008	27,465
2009	29,037
2010	28,633
2011	28,547

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

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Population	67,824	70,238	70,682	70,455	70,676	71,147	71,536	72,268	70,576	71,263
Real Property										
Assessed/tax capacity value	\$ 76,277	\$ 81,310	\$ 86,602	\$ 94,585	\$ 102,569	\$ 112,009	\$ 121,295	\$ 122,107	\$ 116,187	\$ 108,748
Estimated market value	\$ 6,187,584	\$ 6,844,156	\$ 7,375,678	\$ 8,053,678	\$ 8,690,753	\$ 9,440,899	\$ 10,041,803	\$ 10,012,350	\$ 9,548,268	\$ 8,973,492
Personal Property										
Assessed/tax capacity value	\$ 782	\$ 804	\$ 845	\$ 894	\$ 913	\$ 1,023	\$ 943	\$ 942	\$ 944	\$ 1,021
Estimated market value	\$ 39,306	\$ 40,441	\$ 42,517	\$ 44,940	\$ 45,985	\$ 51,652	\$ 47,578	\$ 47,640	\$ 47,820	\$ 51,696
Total Real and Personal Property										
Assessed/tax capacity value	\$ 77,059	\$ 82,114	\$ 87,447	\$ 95,479	\$ 103,482	\$ 113,032	\$ 122,238	\$ 123,048	\$ 117,131	\$ 109,769
Estimated market value	\$ 6,226,890	\$ 6,884,597	\$ 7,418,195	\$ 8,098,618	\$ 8,736,738	\$ 9,492,551	\$ 10,089,381	\$ 10,059,990	\$ 9,596,088	\$ 9,025,188
Total direct tax rate	\$ 24.66	\$ 24.20	\$ 23.92	\$ 23.81	\$ 23.75	\$ 23.75	\$ 23.35	\$ 24.86	\$ 26.01	\$ 27.49

Source: Hennepin County

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

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

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	2011			2002		
	Tax Capacity Value	Rank	Percentage of Total Tax Capacity Value	Tax Capacity Value	Rank	Percentage of Total Taxable Assessed Value
Carlson Companies	\$ 2,003	1	1.82%	\$ 2,496	1	3.24%
CSM Equities	1,153	2	1.05%	-	-	-
St Paul Properties Inc	1,129	3	1.03%	844	3	1.09%
Liberty Property, Ltd. Partnership	914	4	0.83%	840	4	1.09%
United Properties	887	5	0.81%	-	-	-
Plymouth Properties Realty	794	6	0.72%	-	-	-
Tallcott III Atria LLC	749	7	0.68%	-	-	-
Bigos	685	8	0.62%	-	-	-
James Campbell Estate aka F E Trotter	561	9	0.51%	-	-	-
505 Waterford Corporation	534	10	0.49%	652	5	0.85%
Sentinel Real Estate Corp	-	-	-	931	2	1.21%
3033 Campus VEF III LLC	-	-	-	647	6	0.84%
Prudential Insurance	-	-	-	635	7	0.82%
Park Place	-	-	-	603	8	0.78%
Utah State Retirement Fund	-	-	-	538	9	0.70%
Metropolitan Life Insurance Co	-	-	-	469	10	0.61%
	<u>\$ 9,409</u>		<u>8.57%</u>	<u>\$ 8,655</u>		<u>11.23%</u>

Source: City of Plymouth assessing division.

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
2002	\$ 18,311	\$ 18,234	99.58%	\$ 75	\$ 18,309	99.99%
2003	18,641	17,766	95.31%	117	17,883	95.93%
2004	19,813	19,010	95.95%	72	19,082	96.31%
2005	21,816	21,043	96.46%	158	21,201	97.18%
2006	23,765	23,030	96.91%	164	23,194	97.60%
2007	25,889	25,679	99.19%	191	25,870	99.93%
2008	27,485	26,960	98.09%	259	27,219	99.03%
2009	28,899	27,915	96.60%	245	28,160	97.44%
2010	28,727	27,797	96.76%	168	27,965	97.35%
2011	28,728	27,748	96.59%	-	27,748	96.59%

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			
2002	\$ 5,545	\$ 900	\$ 2,900	\$ -	\$ 9,345	0.38%	\$ 138
2003	7,980	3,740	2,875	-	14,595	0.57%	208
2004	15,050	3,680	2,845	13,140	34,715	1.36%	491
2005	13,180	3,300	4,175	12,090	32,745	1.26%	465
2006	12,405	2,730	4,130	11,375	30,640	1.17%	434
2007	14,210	2,160	4,075	10,650	31,095	1.18%	437
2008	13,270	1,575	4,000	9,905	28,750	1.11%	402
2009	13,740	980	6,370	9,145	30,235	0.90%	418
2010	14,110	370	3,730	8,360	26,570	0.81%	376
2011	12,915	285	3,565	7,555	24,320	0.72%	341

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

(1) See the Schedule of Demographic and Economic Statistics on page 134 for personal income and population data.

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

Fiscal Year Ended December 31	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property(1)	Per Capita(1)
2002	\$ 5,545	\$ 606	\$ 4,939	0.08%	\$ 73
2003	7,980	2,279	5,701	0.08%	81
2004	15,050	2,351	12,699	0.17%	180
2005	13,180	1,611	11,569	0.14%	164
2006	12,405	1,852	10,553	0.12%	149
2007	14,210	2,129	12,081	0.13%	170
2008	13,270	2,248	11,022	0.11%	154
2009	13,740	3,913	9,827	0.10%	136
2010	14,110	2,505	11,605	0.12%	164
2011	12,915	2,527	10,388	0.12%	146

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

(1) See the Schedule of Assessed Value/Tax Capacity Value and Estimated Market Value on page 125 for property value data and population.

**CITY OF PLYMOUTH, MINNESOTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2011
(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	\$ 1,145,270	7.2%	\$ 52,120
ISD #270 (Hopkins)	184,860	3.5%	6,350
ISD #279 (Osseo)	196,925	9.8%	14,078
ISD #281 (Robbinsdale)	216,145	24.7%	48,019
IDS #284 (Wayzata)	57,525	54.9%	25,476
Metropolitan Council	1,349,553	3.3%	4,775
Three Rivers Park District	85,785	9.7%	6,207
Hennepin County Regional Railroad Auth.	40,505	7.2%	2,889
Subtotal, overlapping debt			<u>159,914</u>
City of Plymouth direct debt			<u>16,765</u>
Total direct and overlapping debt			<u>\$ 176,679</u>

Source: Hennepin County, Minnesota

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

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

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 124,538	\$ 130,294	\$ 143,088	\$ 158,977	\$ 172,690	\$ 188,344	\$ 301,248	\$ 301,800	\$ 287,883	\$ 270,756
Total net debt applicable to limit	4,939	5,701	12,699	11,569	10,553	12,081	11,022	9,827	11,605	10,388
Legal debt margin	<u>\$ 119,599</u>	<u>\$ 124,593</u>	<u>\$ 130,389</u>	<u>\$ 147,408</u>	<u>\$ 162,137</u>	<u>\$ 176,263</u>	<u>\$ 290,226</u>	<u>\$ 291,973</u>	<u>\$ 276,278</u>	<u>\$ 260,368</u>
Total net debt applicable to the limit as a percentage of debt limit	3.97%	4.38%	8.87%	7.28%	6.11%	6.41%	3.66%	3.26%	4.03%	3.84%

Legal Debt Margin Calculation for Fiscal Year 2011

Estimated taxable market value	\$ 9,025,188
Debt limit (3% of total market value)	270,756
Debt applicable to limit:	
Street Reconstruction Bonds 2003B	480
Capital Improvement Bonds 2004A	5,910
Open Spaces GO Bonds 2007A	2,430
Activity Center/Field House Refunding Bonds 2009 B	1,105
Open Space Bonds 2010A	2,990
Less: Amount set aside for repayment of general obligation debt	(2,527)
Total net debt applicable to limit	<u>10,388</u>
Legal debt margin	<u>\$ 260,368</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-Sewer Utility Gross Revenues				Less: Operating Expenses				Net Available Revenue			Water Revenue Bonds				Special Assessment Bonds			
	Revenues	Operating Expenses	Net Available Revenue		Principal	Debt Service Interest	Coverage	Special Assessment Collections	Principal	Debt Service Interest	Coverage	Principal	Debt Service Interest	Coverage					
2002	\$ 8,711	\$ 7,778	\$ 933	\$ 295	\$ 6	3.10	\$ 1,519	\$ 400	\$ 61	3.30									
2003	10,917	8,733	2,184	-	-	0.00	1,317	55	49	12.66									
2004	10,764	8,586	2,178	-	-	0.00	1,233	60	92	8.11									
2005	11,278	9,376	1,902	1,050	296	1.41	1,195	380	109	2.44									
2006	11,862	10,085	1,777	1,765	419	0.81	1,999	570	96	3.00									
2007	13,568	10,793	2,775	725	397	2.47	1,522	570	81	2.34									
2008	13,567	10,682	2,885	745	382	2.56	1,437	585	66	2.21									
2009	13,677	11,136	2,541	760	360	2.27	1,489	595	49	2.31									
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									

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

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

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

Fiscal Year	Population (A)	Personal Income (In Thousands)	Per Capita Personal Income (B)	School Enrollment (C)	Unemployment Rate (A)
2002	67,824	\$ 2,462,622	\$ 36,309	52,993	4.2%
2003	70,238	2,550,272	36,309	52,952	3.2%
2004	70,682	2,566,393	36,309	52,506	3.0%
2005	70,455	2,558,151	36,309	52,047	3.1%
2006	70,676	2,566,175	36,309	53,102	2.9%
2007	71,147	3,053,772	42,922	53,251	3.7%
2008	71,536	3,293,231	46,036	51,262	6.4%
2009	72,268	3,370,869	46,644	51,215	6.0%
2010 (D)	70,576	3,275,079	46,405	51,116	6.1%
2011 (E)	71,263	3,363,257	47,195	51,807	4.6%

- 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) U.S. population census data; available every 10 years

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

Employer	2011			2002		
	Employees	Rank	Percentage of Total Plymouth Employment	Employees	Rank	Percentage of Total Plymouth Employment
I.S.D. #284 (Wayzata)	1,484	1	3.19%	-	-	-
Carlson Companies	1,000	2	2.15%	-	-	-
EV3, Inc	860	3	1.85%	-	-	-
Allied Interstate	650	4	1.40%	-	-	-
Prudential Insurance Company	598	5	1.28%	3,500	1	6.66%
Honeywell International	525	6	1.13%	560	5	1.07%
Boston Scientific	500	7	1.07%	-	-	-
Nilfisk-Advance, Inc	450	8	0.97%	-	-	-
ATEK Co, Inc	400	9	0.86%	-	-	-
Target Corp	350	10	0.75%	-	-	-
Carlson Travel	-	-	-	1,150	2	2.19%
Carlson Marketing	-	-	-	1,000	3	1.90%
US West Communications	-	-	-	700	4	1.33%
ITT Insurance	-	-	-	500	6	0.95%
Value RX	-	-	-	500	7	0.95%
Schneider USA, Inc	-	-	-	480	8	0.91%
Select Comfort Corp	-	-	-	475	9	0.90%
JT Food Service	-	-	-	300	10	0.57%
	<u>6,817</u>		<u>14.64%</u>	<u>9,165</u>		<u>17.43%</u>

Note: Data is based on the most current information available. 2002 data is equal to 2000 data.

Sources: City Community Development Department, 2012 Ehler's City of Plymouth study.

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

Function	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government	10	10	10	10	10	10	10	10	11	8
Administration	6	6	6	6	6	6	6	6	7	7
Assessing	15	15	15	15	15	15	15	14	13	10
Finance	11	11	11	11	12	12	12	12	12	10
Inspection	11	11	11	11	11	11	11	11	11	11
Planning	7	7	7	7	7	7	8	7	7	5
Information Technology										
Parks										
Administration	4	4	4	5	5	5	5	5	9	9
Park Maintenance	24	24	25	25	25	25	26	26	21	20
Plymouth Creek	5	5	5	5	5	5	5	6	5	5
Ice Center	5	5	5	5	5	5	5	5	4	5
Public Safety										
Police- Sworn	61	61	65	67	67	69	70	70	66	68
Police - Civilian	16	16	16	16	16	16	17	16	17	15
Fire Prevention	2	2	2	2	2	2	2	2	0	0
Full Time Fire Fighters	5	5	6	7	7	7	7	6	6	6
Public Works										
Engineering	17	17	17	18	18	17	17	17	13	13
Streets	19	19	20	19	19	18	19	19	13	13
Central Equipment	4	4	4	4	4	4	4	4	5	5
Recycling Administration	1	1	1	1	1	1	1	1	2	2
Risk Management	1	1	1	1	1	1	1	1	1	1
Building Management	2	2	2	2	2	2	2	2	2	2
Public Service										
House and Development	6	6	6	6	6	6	6	6	3	3
Sewer/Water	18	20	21	21	21	23	23	23	23	23
Transit	1	1	1	2	2	2	2	2	1	1
	<u>251</u>	<u>253</u>	<u>261</u>	<u>266</u>	<u>267</u>	<u>269</u>	<u>274</u>	<u>271</u>	<u>252</u>	<u>242</u>

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

	FISCAL YEAR					
	2006	2007	2008	2009	2010	2011
Police						
Medical calls	2,526	2,925	2,314	2,962	2,548	2,517
Traffic stops	17,156	16,647	17,418	15,131	12,843	19,650
Other	46,117	45,677	37,309	33,149	34,392	42,931
Fire						
Inspections	2,321	2,301	1,758	1,629	1,007	1,221
Fire calls - Residential	725	814	743	701	786	926
Fire calls - Structural	1,041	355	312	270	248	285
Fire calls - Other	311	343	290	278	374	325
Inspections						
Permit related	8,908	16,942	17,464	14,568	18,036	18,043
Non-permit related	24,422	7,332	10,940	7,627	2,185	2,240
Recreation						
Hours of ice time	7,851	7,054	6,612	6,801	7,166	7,315
Number of programs	1,721	1,818	1,862	1,908	2,011	2,003
Plymouth Creek Center rentals	4,083	4,053	3,838	3,757	3,956	4,218
Water						
Gallons of water production (in thousands)	3,540,616	3,609,790	3,399,495	3,524,110	3,183,085	3,146,805
Watermain breaks	59	88	54	43	29	53
Public works						
Snowplowing hours	1,348	1,730	1,954	2,179	3,003	970

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

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	16	15	17	17	17	21	25	38	38	33
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)	24	24	24	24	28	28	28	26	26	26
Other streets & alleys (miles)	277	277	276	277	283	284	287	287	290	294
Sidewalks (miles)	9	9	9	9	9	9	11	11	12	12
Streetlights	2,678	2,694	2,694	2,694	2,910	2,910	2,973	2,984	3,028	3,059
Parks and recreation										
Acreage	900	1,000	1,000	1,000	1,000	1,200	1,273	1,273	1,400	1,410
Number of parks and playgrounds	42	45	45	45	45	49	49	50	50	50
Trails (miles)	90	90	100	100	110	110	136	136	136	137
Community center	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	320	322	322	326	350	352	353	353	354	361
Fire hydrants:										
Private	1,809	1,505	1,538	1,514	1,545	1,545	1,562	1,569	1,571	1,571
Public	3,896	4,202	4,092	4,133	4,297	4,333	4,345	4,429	4,434	4,528
Wastewater										
Sanitary sewer (miles)	293	294	296	297	307	309	309	309	309	319
Storm sewer (miles)	123	124	126	127	129	133	134	134	134	140

Sources: Various city departments.
Note: No capital asset indicators are available for the general government function.