



City of Plymouth, Minnesota  
**Comprehensive Annual Financial Report**

For the Year Ended December 31, 2012





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

**For The Year Ended  
December 31, 2012**

**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, 2012**

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June 30, 2013

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, 2012.

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, 2012, 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, 2012, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

### **Reporting Entity**

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

### **Profile of the Government**

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

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

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

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

### **Economic Condition and Outlook**

The city grew substantially during the 1980s and 1990s, increasing by 61%. Plymouth's population increased 30% from 1990 to 2000 and as of 2012 is 71,644. 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 2012, 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 2011, the city produced its third biennial budget covering fiscal years 2012-2013. This important document required significant planning and scenario-building to ensure a workable operating budget under changing economic conditions. In July of 2012, the city reviewed and updated the second year (2013) 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 2012 total market value of the City was \$8,857,397,800 a decrease of \$167,790,600 from 2011. The decrease in total market value between payable 2011 and payable 2012 was 1.9%, 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, in June 2012, completed a thorough review of the cash flows for each of the outstanding bond issues. The short-term and long-term implications of the bonds were addressed and the funding sources were reviewed to ensure sufficient funds are available. Budget software was purchased in 2012 to assist in long-term forecasting and improved reporting.

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 assignments 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, 2011. This was the 30<sup>th</sup> consecutive year that the City of Plymouth has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. The report must satisfy GAAP requirements and applicable legal requirements.

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

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

Respectfully submitted,



Jodi Bursheim  
Finance Manager

# 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, 2011

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.



*Christopher P. Moine*

President

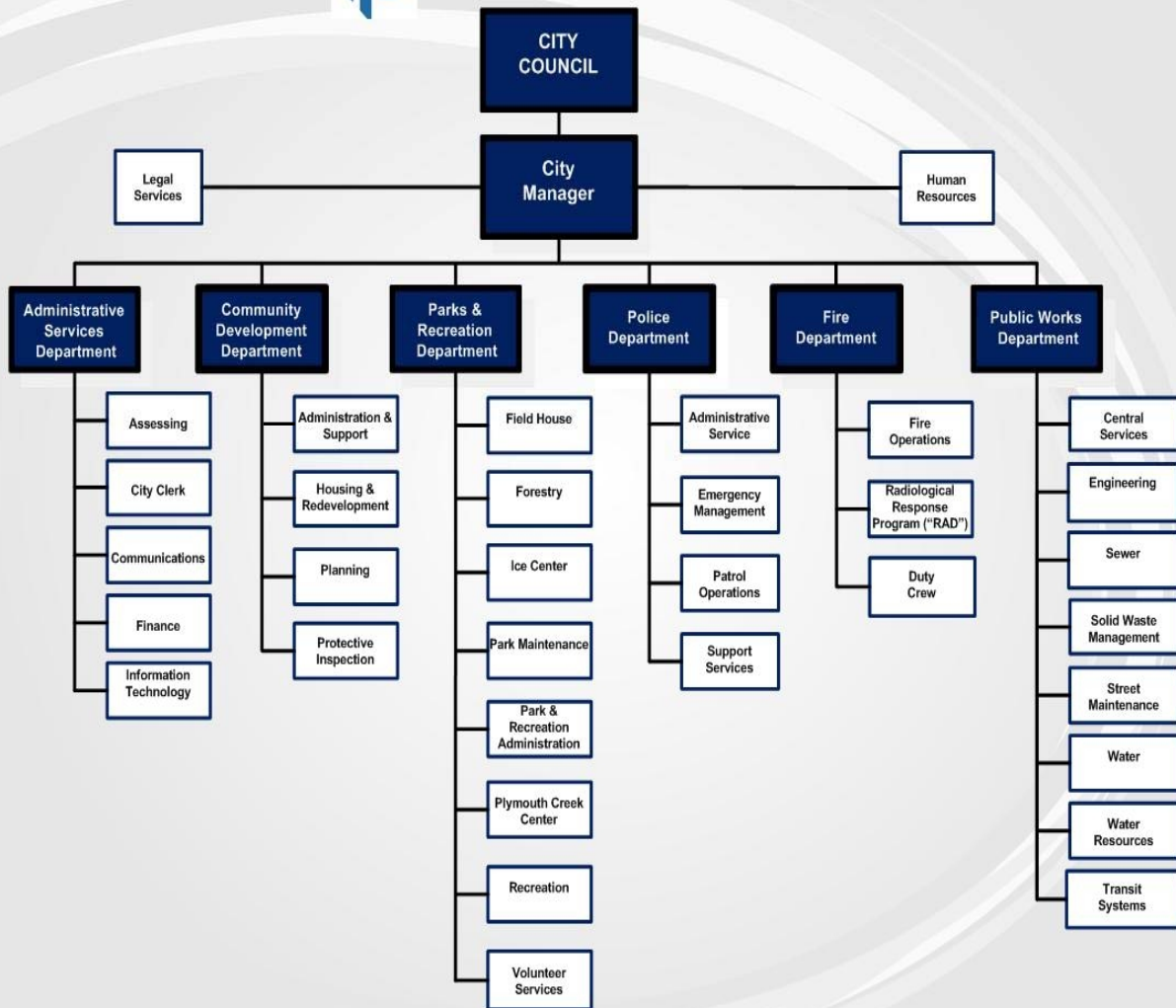
*Jeffrey R. Emery*

Executive Director



# City of Plymouth

Organizational Chart





**City of Plymouth  
LISTING OF CITY OFFICIALS  
at December 31, 2012**

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	Dave Callister
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**



INDEPENDENT AUDITOR'S REPORT

To the City Council and Management  
City of Plymouth, Minnesota

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Plymouth, Minnesota (the City) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. The prior year partial comparative information presented has been derived from the City's financial statements for the year ended December 31, 2011, and in our report dated June 20, 2012, 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.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

(continued)

## **OPINIONS**

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparisons for the General Fund and major special revenue funds for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

The financial statements include prior year partial comparative information, which 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, 2011, from which it was derived.

## **OTHER MATTERS**

### **Required Supplementary Information**

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

### **Other Information**

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

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

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

(continued)

**OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota  
June 14, 2013

**City of Plymouth, Minnesota**  
**For the Year Ended December 31, 2012**  
**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, 2012. 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 2012, the City of Plymouth's assets exceeded its liabilities by \$401 million (*net position*). Net position consisted of:
  - \$41.0 million (10.2% of total net position) restricted for specific purposes
  - \$268.0 million (66.8% of total net position) represent the City's investment in long-term assets (including roads, bridges and other infrastructure assets) net of long-term debt used to finance these assets
  - \$92.3 million (23.0% of total net position) are unrestricted and are available to meet the City's obligations consistent with City policy, legislative intent and direction of the City Council.
- Governmental activities recognized an increase in net position of \$7.5 million and business-type activities resulted in an increase of \$4.8 million. Overall, the City's net position increased by \$12.3 million in 2012. Permit revenue increased significantly due to elevated development activity throughout the city; along with cost savings from personnel attrition and overall restraint on spending.
- The City's governmental funds reported combined ending fund balances of approximately \$73.5 million. Unlike net position, 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 \$114 thousand of total governmental fund balances are nonspendable such as inventory, prepaid items and principal of the Cemetery Perpetual Care fund. The city's restricted fund balance is approximately \$19.5 million for specific purposes that are subject to external legal restrictions such as debt service and other restrictive uses. The remainder fund balance of \$53.9 million is comprised of \$42.1 million of assigned fund balance for purposes such as construction of long-term assets or other desired uses and \$11.8 million is unassigned.
- The City's main operating fund, the General Fund, reported a year-end balance of approximately \$12.3 million. The General Fund's balance represents approximately 40% of annual budgeted spending in this fund. Fund balance in the General Fund increased \$315 thousand during the year.
- The City's total governmental activity bonded debt increased by approximately \$2.9 million, or 17.3% from the prior-year. This debt represents a very modest ratio of only 7.5% of governmental net position. The City's restricted resources for governmental debt service are approximately \$3.1 million which represents approximately 16.0% of governmental debt outstanding at year-end. The City's business-type activity bonded debt increased \$4.1 million. Net revenues of the Water Sewer Utility are pledged for the debt service of the business-type activities.

**Overview of the Financial Statements**

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



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

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

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

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

The government-wide financial statements can be found on pages 13-15 of this report.

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

*Governmental Funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a 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 18-27 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 sewer utility, ice center, water resources, solid waste management and field house operations. *Internal Service funds* are businesses whose only customer is the government itself. These funds are an accounting device used to accumulate and allocate costs internally among the City of Plymouth's various functions. The City of Plymouth uses internal service funds to account for central equipment, public facilities, information technology, risk management, employee benefits and resource planning functions. Most of the costs allocated through internal service funds benefit the government activities rather than its business activities. Therefore, internal service activities are included among the City's governmental activities in the government-wide statements.

Proprietary fund statements are on pages 30-39 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 41 - 68 of this report.

### Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Plymouth, assets exceeded liabilities by approximately \$401 million at the end of fiscal year 2012. A portion of the City of Plymouth's net position (66.8%) 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.

<b>City of Plymouth, Minnesota</b>						
<b>Net Position</b>						
<i>(amounts in thousands of dollars)</i>						
	Governmental Activities		Business-type Activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>Assets:</b>						
Current and other assets	\$ 110,805	\$ 100,247	\$ 44,020	\$ 36,467	\$ 154,825	\$ 136,714
Capital assets net of accumulated depreciation	181,449	178,724	108,659	106,488	290,108	285,212
Total assets	<u>\$ 292,254</u>	<u>\$ 278,971</u>	<u>\$ 152,679</u>	<u>\$ 142,955</u>	<u>\$ 444,933</u>	<u>\$ 421,926</u>
<b>Liabilities:</b>						
Current and other liabilities	\$ 6,582	\$ 4,211	\$ 1,586	\$ 1,171	\$ 8,168	\$ 5,382
Long-term liabilities	23,438	20,040	12,042	7,541	35,480	27,581
Total liabilities	<u>30,020</u>	<u>24,251</u>	<u>13,628</u>	<u>8,712</u>	<u>43,648</u>	<u>32,963</u>
<b>Net Position:</b>						
Net investment in capital assets	166,158	161,820	101,819	98,947	267,977	260,767
Restricted net position	16,637	16,127	24,362	22,515	40,999	38,642
Unrestricted net position	79,439	76,773	12,870	12,781	92,309	89,554
Total net position	<u>262,234</u>	<u>254,720</u>	<u>139,051</u>	<u>134,243</u>	<u>401,285</u>	<u>388,963</u>
Total liabilities and net position	<u>\$ 292,254</u>	<u>\$ 278,971</u>	<u>\$ 152,679</u>	<u>\$ 142,955</u>	<u>\$ 444,933</u>	<u>\$ 421,926</u>

A portion of the City of Plymouth's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$92.3 million) may be used to meet the government's ongoing obligations to citizens and creditors.

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

- **Governmental activities** – Governmental activities increased the City of Plymouth’s net position by approximately \$7.5 million or 2.9%. 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, and significant cost savings from personnel attrition and overall restraint on spending.
- **Business-type activities** – The net position of business-type activities increased by \$4.8 million or 3.6%. The positive results are the result of significant capital contributions this year due to the timing of project completions.

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

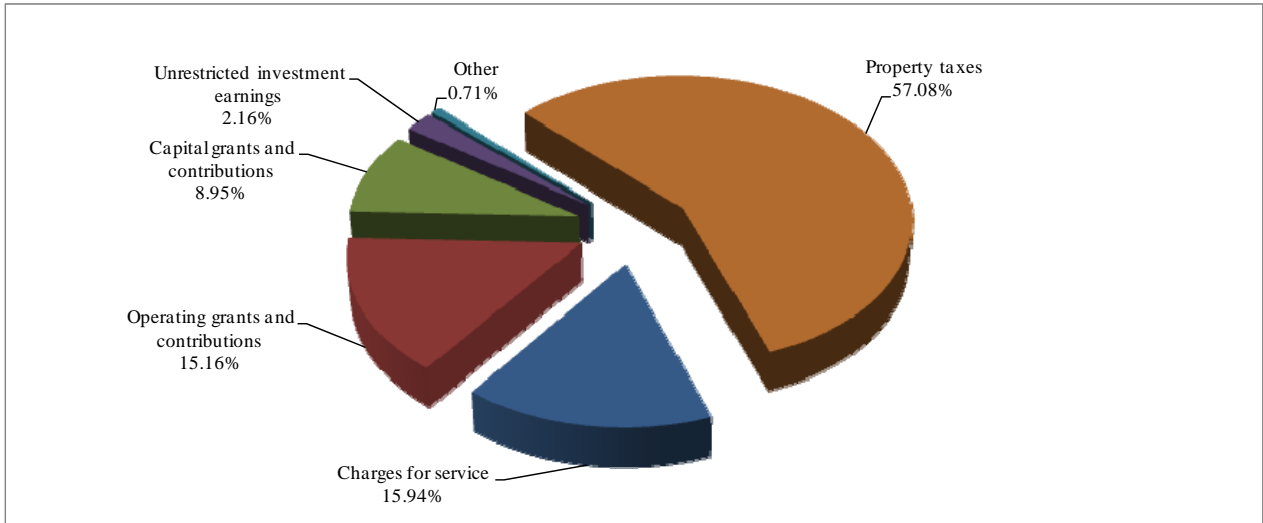
**City of Plymouth, Minnesota**  
**Changes in Net Position**  
*(amounts in thousands of dollars)*

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Revenues:</b>						
Program revenues:						
Charges for service	\$ 8,168	\$ 8,963	\$ 19,243	\$ 18,803	\$ 27,411	\$ 27,766
Operating grants and contributions	7,770	5,579	329	372	8,099	5,951
Capital grants and contributions	4,582	9,093	5,036	10,564	9,618	19,657
General revenues:						
Property taxes	29,256	28,551	-	-	29,256	28,551
Unrestricted investment earnings	1,109	1,704	671	489	1,780	2,193
Gain on sale of capital assets	133	-	-	-	133	-
Other	233	12	61	11	294	23
Total revenues	<u>51,251</u>	<u>53,902</u>	<u>25,340</u>	<u>30,239</u>	<u>76,591</u>	<u>84,141</u>
<b>Expenses:</b>						
General government	4,736	4,300	-	-	4,736	4,300
Economic development	354	353	-	-	354	353
Parks and recreation	8,044	8,115	-	-	8,044	8,115
Public safety	14,310	13,713	-	-	14,310	13,713
Public service	4,020	4,432	-	-	4,020	4,432
Public works	12,189	11,936	-	-	12,189	11,936
Water sewer utility	-	-	15,045	14,497	15,045	14,497
Ice center	-	-	1,695	1,726	1,695	1,726
Water resources	-	-	1,932	1,818	1,932	1,818
Solid waste management	-	-	900	1,055	900	1,055
Field house	-	-	236	230	236	230
Interest on long-term debt	808	636	-	-	808	636
Total expenses	<u>44,461</u>	<u>43,485</u>	<u>19,808</u>	<u>19,326</u>	<u>64,269</u>	<u>62,811</u>
Change in Net Position Before Transfers	6,790	10,417	5,532	10,913	12,322	21,330
Transfers in (out)	724	3,216	(724)	(3,216)	-	-
Change in Net Position	<u>7,514</u>	<u>13,633</u>	<u>4,808</u>	<u>7,697</u>	<u>12,322</u>	<u>21,330</u>
Net Position at Beginning of Year	<u>254,720</u>	<u>241,087</u>	<u>134,243</u>	<u>126,546</u>	<u>388,963</u>	<u>367,633</u>
Net Position at End of Year	<u>\$ 262,234</u>	<u>\$ 254,720</u>	<u>\$ 139,051</u>	<u>\$ 134,243</u>	<u>\$ 401,285</u>	<u>\$ 388,963</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 utility, ice center, water resources, solid waste management, and field house services to its residents. The City’s business-type activities are accounted for, financed, and operated in a manner similar to private business enterprises. It is generally intended that the cost of providing services to the public be financed or recovered primarily through user charges.

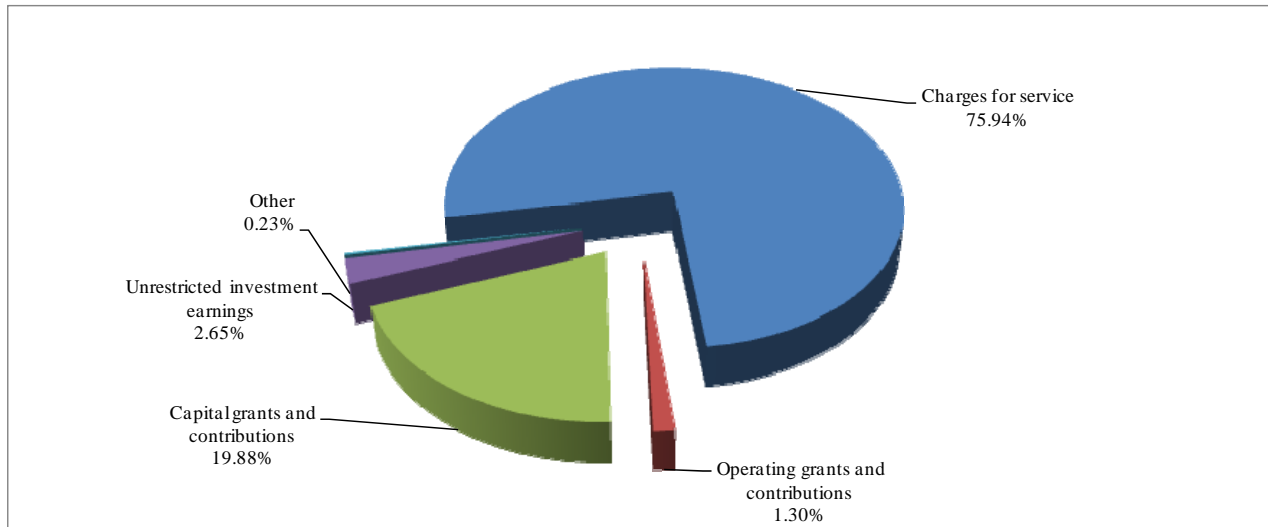
The City’s business-type activities are capital intensive. The City’s investment in capital assets (net of accumulated depreciation) of its business activities totaled approximately \$108.7 million in 2012. Capital (fixed) assets represented approximately 71.2% of total business-type assets.

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, 2012, there were 21,912 water and/or sewer customers. The water and sewer utility sales represented approximately 74.0% of total business-type charges for service revenue in 2012. 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 2012, the City reported positive operating income before depreciation of approximately \$4.3 million. After depreciation, the City reported an operating loss of approximately \$190 thousand. Including non-operating income, the City’s business-type activities resulted in an overall increase in net position of approximately \$4.8 million for 2012. Significant non-operating revenues in 2012 included grant revenue from other governmental agencies of \$328 thousand, area-wide assessments of \$3.0 million, investment income of \$670 thousand, and capital contributions of \$4.7 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 2012; the fund balance at year-end was \$12.3 million, or 40% of 2013 budgeted expenditures and transfers out.

### Transit Fund-

- In the Transit Fund, the fund balance decreased by \$421 thousand. This decrease is primarily due to a decrease in operating grants and ridership fees.

### CDBG Fund-

- The fund balance in the CDBG fund decreased by \$11 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 were less than projections and corresponded with the decrease in revenue.

### Improvement Projects Fund-

- The fund balance increased in the Improvement Projects Fund by \$245 thousand during the year. This increase is due to approved transfers-in for construction of streets and other infrastructure improvements.

#### Infrastructure Replacement Fund-

- The fund balance increased in the Infrastructure Fund by \$2.4 million during the year. This increase is due to an unplanned transfer-in from the General Fund. An overage from a favorable year-end position allowed the General Fund to make an unplanned transfer of \$2.4 million to the Infrastructure replacement fund.

#### Park Replacement Fund –

- The fund balance increased in the park replacement fund by \$562 thousand during the year. The increase is due to approved transfers-in for replacement of park infrastructure and equipment.

Of the total governmental funds fund balance of \$73.5 million, \$114 thousand is nonspendable, \$19.5 million is restricted for specific uses based on external regulations, \$42.1 million is assigned internally for specific uses and \$11.8 is unassigned.

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

#### Water Sewer Utility Fund-

- Unrestricted net position at the end of the year was \$9.3 million. The total increase in net position was \$3.5 million.

#### Ice Center Fund-

- Unrestricted net position was (\$38) thousand due to the large value of capital assets in this fund. The total decrease in net position was \$228 thousand.

#### Water Resources Fund-

- Net position in this fund is considered restricted or invested in capital assets. The total restricted net position at the end of the year was \$3.1 million. There was an overall increase in net position 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 2012 General Fund budget anticipated an expenditure increase of less than 2%. This increase included allocation adjustments after a thorough review of internal service funds and planned wage adjustments and a larger contingency for uncertainty of pending labor contracts.

General Fund revenues and other financing sources exceeded budget estimates by \$2.1 million during the year. Contributing factors for this increase included additional license and permit revenue due to elevated development activity, increased state grants and aids, 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 \$2.9 million. The primary reason for this overage was that the net positive year-end position allowed the General Fund to make unplanned transfers of \$2.4 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 \$290.1 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>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	\$ 32,582	\$ 30,728	\$ 3,199	\$ 3,199	\$ 35,781	\$ 33,927
Buildings	26,072	26,878	32,377	33,332	58,449	60,210
Improvements other than buildings	11,728	11,752	1,907	1,794	13,635	13,546
Machinery and equipment	12,758	12,413	5,202	5,814	17,960	18,227
Infrastructure	82,960	85,308	61,486	58,681	144,446	143,989
Construction in progress	15,349	11,645	4,488	3,668	19,837	15,313
Total capital assets	<u>\$ 181,449</u>	<u>\$ 178,724</u>	<u>\$ 108,659</u>	<u>\$ 106,488</u>	<u>\$ 290,108</u>	<u>\$ 285,212</u>

See footnote 4, pages 53-55, 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 \$31.3 million at year-end, compared to \$24.3 million at the beginning of the year. During the year, the City made regular debt service payments of \$1.9 million on governmental activity bonds and \$830 thousand on business-type activity bonds. The City issued \$4.8 million of governmental activity bonds and \$5.0 million of business-type activity bonds during the year.

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

See footnote 5, pages 56-59, 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 2013 budget was conservatively developed to account for economic and legislative activity. It provides for a balanced budget and a sound financial plan for 2013 that maintains core service levels and is sensitive to the financial concerns of Plymouth taxpayers. The tax levy increased 1.59% from 2012.

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

**CONTACTING THE CITY’S FINANCIAL MANAGEMENT**

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

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## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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



**CITY OF PLYMOUTH, MINNESOTA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2012**

	<b>Primary Government</b>			<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Housing and Redevelopment Authority</b>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 100,272,791	\$ 29,138,366	\$ 129,411,157	\$ 4,624,322
Restricted cash and investments	5,003,429	5,201,909	10,205,338	9,811,588
Accounts receivable	106,952	3,296,006	3,402,958	36,633
Notes receivable	2,453,906	-	2,453,906	1,172,690
Taxes receivable	523,959	-	523,959	9,601
Special assessments receivable	165,095	6,902,774	7,067,869	-
Accrued interest receivable	410,244	88,907	499,151	87,961
Due from other governments	403,446	-	403,446	-
Internal balances	1,071,514	(1,071,514)	-	-
Inventory	133,482	55,950	189,432	-
Prepaid items	260,442	407,570	668,012	276,484
Capital assets:				
Nondepreciable:				
Land	32,582,331	3,199,264	35,781,595	1,333,840
Construction in progress	15,349,116	4,488,030	19,837,146	-
Depreciable (net):				
Buildings	26,071,622	32,376,630	58,448,252	10,426,285
Improvements other than buildings	11,728,071	1,906,677	13,634,748	211,262
Machinery and equipment	12,758,373	5,202,545	17,960,918	312,493
Infrastructure	82,959,552	61,485,440	144,444,992	-
<b>TOTAL ASSETS</b>	<b>\$ 292,254,325</b>	<b>\$ 152,678,554</b>	<b>\$ 444,932,879</b>	<b>\$ 28,303,159</b>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 2,435,228	\$ 482,870	\$ 2,918,098	\$ 27,265
Contracts payable	774,964	305,817	1,080,781	-
Accrued salaries and benefits payable	470,538	93,088	563,626	22,995
Deposits payable	1,673,261	-	1,673,261	126,016
Due to other governments	308,713	337,076	645,789	88,019
Unearned revenue	589,887	161,660	751,547	-
Accrued interest payable	329,366	205,329	534,695	388,824
Noncurrent liabilities:				
Due within one year	2,941,802	940,000	3,881,802	430,000
Due in more than one year	20,496,365	11,101,737	31,598,102	22,702,846
Total liabilities	<u>30,020,124</u>	<u>13,627,577</u>	<u>43,647,701</u>	<u>23,785,965</u>
<b><u>NET POSITION</u></b>				
Net investment in capital assets	166,157,665	101,818,758	267,976,423	(1,037,378)
Restricted for:				
Transit	4,235,596	-	4,235,596	-
Lawful Gambling	13,180	-	13,180	-
Debt Service	3,142,564	-	3,142,564	435,958
Housing Projects	1,301,059	-	1,301,059	3,914,661
Highway/Street Improvements	2,237,637	-	2,237,637	-
Park Construction	2,596,061	-	2,596,061	-
Tax Increment	2,927,791	-	2,927,791	-
Cemetery perpetual care:				
Non-expendable	45,500	-	45,500	-
Expendable	137,882	-	137,882	-
Utility trunk	-	21,233,359	21,233,359	-
Water resources	-	3,129,034	3,129,034	-
Unrestricted	79,439,266	12,869,826	92,309,092	1,203,953
Total net position	<u>262,234,201</u>	<u>139,050,977</u>	<u>401,285,178</u>	<u>4,517,194</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 292,254,325</b>	<b>\$ 152,678,554</b>	<b>\$ 444,932,879</b>	<b>\$ 28,303,159</b>

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

**CITY OF PLYMOUTH, MINNESOTA  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2012**

<b>Functions / Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>PRIMARY GOVERNMENT:</b>				
Governmental activities:				
General government	\$ 4,735,573	\$ 423,488	\$ 66,283	\$ 62,311
Economic development	354,241	-	-	-
Parks and recreation	8,043,979	1,582,392	11,182	1,873,680
Public safety	14,309,925	3,704,516	2,168,534	15,187
Public service	4,020,239	979,270	2,397,472	-
Public works	12,188,896	1,478,767	3,126,249	2,630,611
Interest on long-term debt	808,224	-	-	-
Total governmental activities	<u>44,461,077</u>	<u>8,168,433</u>	<u>7,769,720</u>	<u>4,581,789</u>
Business-type activities:				
Water sewer utility	15,045,483	14,237,587	25,000	4,029,396
Ice center	1,694,651	1,465,434	-	-
Water resources	1,931,510	2,572,894	100,986	997,834
Solid waste management	900,254	632,251	202,405	9,000
Field house	235,582	334,990	-	-
Total business-type activities	<u>19,807,480</u>	<u>19,243,156</u>	<u>328,391</u>	<u>5,036,230</u>
Total primary government	<u>\$ 64,268,557</u>	<u>\$ 27,411,589</u>	<u>\$ 8,098,111</u>	<u>\$ 9,618,019</u>
<b>COMPONENT UNIT:</b>				
Housing and Redevelopment Authority	<u>\$ 5,981,122</u>	<u>\$ 1,819,830</u>	<u>\$ 2,965,315</u>	<u>\$ -</u>

**GENERAL REVENUES:**

Property taxes  
Unrestricted investment earnings  
Gain on sale of capital assets  
Other

**TRANSFERS**

Total general revenues and transfers

**CHANGE IN NET POSITION**

NET POSITION - BEGINNING

NET POSITION - ENDING

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

<b>Net (Expense) Revenue and Changes in Net Position</b>			
<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Housing and Redevelopment Authority</b>
\$ (4,183,491)	\$ -	\$ (4,183,491)	\$ -
(354,241)	-	(354,241)	-
(4,576,725)	-	(4,576,725)	-
(8,421,688)	-	(8,421,688)	-
(643,497)	-	(643,497)	-
(4,953,269)	-	(4,953,269)	-
(808,224)	-	(808,224)	-
<u>(23,941,135)</u>	<u>-</u>	<u>(23,941,135)</u>	<u>-</u>
-	3,246,500	3,246,500	-
-	(229,217)	(229,217)	-
-	1,740,204	1,740,204	-
-	(56,598)	(56,598)	-
-	99,408	99,408	-
-	4,800,297	4,800,297	-
<u>(23,941,135)</u>	<u>4,800,297</u>	<u>(19,140,838)</u>	<u>-</u>
			<u>(1,195,977)</u>
29,256,260	-	29,256,260	530,007
1,109,460	670,202	1,779,662	68,550
132,559	-	132,559	-
233,376	60,947	294,323	51,631
723,552	(723,552)	-	-
<u>31,455,207</u>	<u>7,597</u>	<u>31,462,804</u>	<u>650,188</u>
7,514,072	4,807,894	12,321,966	(545,789)
<u>254,720,129</u>	<u>134,243,083</u>	<u>388,963,212</u>	<u>5,062,983</u>
<u>\$ 262,234,201</u>	<u>\$ 139,050,977</u>	<u>\$ 401,285,178</u>	<u>\$ 4,517,194</u>

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## **GOVERNMENTAL FUNDS**

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

### SPECIAL REVENUE FUNDS

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

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

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 PROJECT FUNDS

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.





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**CITY OF PLYMOUTH, MINNESOTA**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**DECEMBER 31, 2012**  
(with comparative totals for December 31, 2011)

	General	Special Revenue		Capital Project	
		Transit System	Community Development Block Grant	Improvement Projects	Infrastructure Replacement
<b>ASSETS</b>					
Cash and investments	\$ 14,304,170	\$ 4,239,121	\$ 48,375	\$ 8,914,667	\$ 14,708,727
Restricted cash and investments	-	-	-	-	-
Accounts receivable	65,044	-	-	-	25,327
Notes receivable	-	-	1,223,648	-	-
Taxes receivable	424,032	-	297	-	51,330
Special assessments receivable	12,904	-	-	391	-
Accrued interest receivable	51,491	12,934	25,496	25,835	38,241
Due from other funds	-	-	-	-	-
Due from other governments	95,166	264,850	29,088	-	-
Inventory	100	-	-	-	-
Prepaid items	62,025	6,401	-	-	-
Advances to other funds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 15,014,932</b>	<b>\$ 4,523,306</b>	<b>\$ 1,326,904</b>	<b>\$ 8,940,893</b>	<b>\$ 14,823,625</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 514,775	\$ 283,724	\$ 22,367	\$ 50,522	\$ -
Contracts payable	-	-	-	604,560	-
Accrued salaries and benefits payable	391,413	3,986	1,978	-	-
Deposits payable	1,101,074	-	-	146	-
Due to other funds	-	-	-	-	-
Due to other governments	38,580	-	1,500	255,000	-
Advances from other funds	-	-	-	-	-
Deferred revenue	646,501	-	1,260,383	391	29,651
Total liabilities	<u>2,692,343</u>	<u>287,710</u>	<u>1,286,228</u>	<u>910,619</u>	<u>29,651</u>
Fund balances:					
Nonspendable	62,125	6,401	-	-	-
Restricted	-	4,229,195	40,676	-	-
Assigned	446,841	-	-	8,030,274	14,793,974
Unassigned	11,813,623	-	-	-	-
Total fund balances	<u>12,322,589</u>	<u>4,235,596</u>	<u>40,676</u>	<u>8,030,274</u>	<u>14,793,974</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 15,014,932</b>	<b>\$ 4,523,306</b>	<b>\$ 1,326,904</b>	<b>\$ 8,940,893</b>	<b>\$ 14,823,625</b>

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

Park Replacement	Nonmajor Governmental Funds	Totals	
		2012	2011
\$ 5,265,738	\$ 23,840,739	\$ 71,321,537	\$ 66,464,281
-	5,003,429	5,003,429	-
-	16,581	106,952	126,183
-	1,230,258	2,453,906	2,480,085
848	47,452	523,959	433,527
-	151,800	165,095	238,791
14,539	154,184	322,720	322,137
-	-	-	90,170
-	2,868	391,972	563,671
-	-	100	175
-	210	68,636	9,755
888,200	1,690,390	2,578,590	2,866,010
<u>\$ 6,169,325</u>	<u>\$ 32,137,911</u>	<u>\$ 82,936,896</u>	<u>\$ 73,594,785</u>
\$ -	\$ 216,550	\$ 1,087,938	\$ 983,392
-	32,973	637,533	218,488
-	16,086	413,463	353,234
-	572,041	1,673,261	725,959
-	-	-	70,170
-	5,701	300,781	96,597
1,690,390	-	1,690,390	1,874,948
9,229	1,683,728	3,629,883	3,716,244
<u>1,699,619</u>	<u>2,527,079</u>	<u>9,433,249</u>	<u>8,039,032</u>
-	45,710	114,236	55,430
-	15,205,132	19,475,003	15,288,520
4,469,706	14,359,990	42,100,785	38,847,865
-	-	11,813,623	11,363,938
<u>4,469,706</u>	<u>29,610,832</u>	<u>73,503,647</u>	<u>65,555,753</u>
<u>\$ 6,169,325</u>	<u>\$ 32,137,911</u>	<u>\$ 82,936,896</u>	<u>\$ 73,594,785</u>

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**CITY OF PLYMOUTH, MINNESOTA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2012**

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FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 73,503,647

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

1. Capital assets used in governmental activities are not financial resources, therefore are not reported in the fund statements.		
Capital assets	360,988,532	
Accumulated depreciation	<u>(186,967,896)</u>	174,020,636
2. Long-term liabilities are not due and payable in the current period, therefore are not reported in the fund statements.		
Bonds payable	(19,665,000)	
Premium / discount on bonds	(441,400)	
Accrued interest payable	<u>(329,366)</u>	(20,435,766)
3. Deferred revenue in governmental funds is susceptible to full accrual on government-wide statements.		3,040,992
4. Internal service funds are used to charge the costs of fleet and building management, management information systems, employee benefits, and other items to individual funds. The assets and liabilities (including capital assets) of the internal service funds are included in governmental activities in the statement of net position.		31,921,378
5. Internal balances which are the result of the allocation of internal service fund operations to the business-type activities are eliminated on the statement of net position.		<u>183,314</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>		<u><u>\$ 262,234,201</u></u>

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

**CITY OF PLYMOUTH, MINNESOTA**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**YEAR ENDED DECEMBER 31, 2012**  
(with comparative actual amounts for year ended December 31, 2011)

	General	Special Revenue		Improvement Projects	Capital Project
		Transit System	Community Development Block Grant		Infrastructure Replacement
<b>REVENUES:</b>					
General property taxes	\$ 22,779,828	\$ -	\$ 21,483	\$ -	\$ 2,689,646
Special assessments (reimbursements)	5,231	-	-	-	(1,109)
Licenses and permits	3,803,616	-	-	-	138,461
Intergovernmental	2,097,962	2,105,844	291,629	-	306
Charges for services	1,966,354	1,006,367	-	-	-
Fines and forfeitures	847,244	-	-	-	-
Contributions	21,118	-	-	-	-
Interest income	113,762	48,890	433	92,133	163,039
Loan repayments	-	-	-	-	-
Other revenues	142,026	-	-	10,069	-
Total revenues	<u>31,777,141</u>	<u>3,161,101</u>	<u>313,545</u>	<u>102,202</u>	<u>2,990,343</u>
<b>EXPENDITURES:</b>					
Current:					
General government	4,626,626	-	-	-	-
Economic development	-	-	-	-	313
Parks and recreation	4,959,583	-	-	-	-
Public safety	14,173,003	-	-	-	-
Public service	-	3,563,587	324,448	17	-
Public works	4,869,577	-	-	-	-
Interest on interfund advances	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	109,853	-	-	6,356,212	-
Total expenditures	<u>28,738,642</u>	<u>3,563,587</u>	<u>324,448</u>	<u>6,356,229</u>	<u>313</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>3,038,499</u>	<u>(402,486)</u>	<u>(10,903)</u>	<u>(6,254,027)</u>	<u>2,990,030</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	305,094	-	-	6,559,033	2,378,585
Transfers out	(3,028,966)	(18,635)	-	(59,552)	(2,933,196)
General obligation refunding bonds issued	-	-	-	-	-
Premium on refunding bonds issued	-	-	-	-	-
Total other financing sources (uses)	<u>(2,723,872)</u>	<u>(18,635)</u>	<u>-</u>	<u>6,499,481</u>	<u>(554,611)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>314,627</u>	<u>(421,121)</u>	<u>(10,903)</u>	<u>245,454</u>	<u>2,435,419</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>12,007,962</u>	<u>4,656,717</u>	<u>51,579</u>	<u>7,784,820</u>	<u>12,358,555</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 12,322,589</u>	<u>\$ 4,235,596</u>	<u>\$ 40,676</u>	<u>\$ 8,030,274</u>	<u>\$ 14,793,974</u>

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

Park Replacement	Nonmajor Governmental Funds	Totals	
		2012	2011
\$ 130,175	\$ 3,715,231	\$ 29,336,363	\$ 28,547,225
-	87,636	91,758	88,228
-	-	3,942,077	3,241,730
15	427,297	4,923,053	6,809,153
13,871	1,247,978	4,234,570	4,635,221
-	-	847,244	877,689
-	875,689	896,807	1,476,059
109,359	303,544	831,160	1,234,127
-	7,149	7,149	6,951
-	55,383	207,478	262,140
<u>253,420</u>	<u>6,719,907</u>	<u>45,317,659</u>	<u>47,178,523</u>
-	-	4,626,626	4,177,043
-	353,928	354,241	952,956
-	1,855,481	6,815,064	6,744,388
-	-	14,173,003	13,478,006
-	3,557	3,891,609	4,247,516
-	3,476	4,873,053	5,118,641
56,248	-	56,248	75,467
-	1,915,000	1,915,000	1,445,000
-	649,659	649,659	651,984
-	1,788,653	8,254,718	10,289,267
<u>56,248</u>	<u>6,569,754</u>	<u>45,609,221</u>	<u>47,180,268</u>
<u>197,172</u>	<u>150,153</u>	<u>(291,562)</u>	<u>(1,745)</u>
726,736	2,036,606	12,006,054	16,988,402
(361,792)	(2,524,304)	(8,926,445)	(11,965,294)
-	4,815,000	4,815,000	-
-	344,847	344,847	-
<u>364,944</u>	<u>4,672,149</u>	<u>8,239,456</u>	<u>5,023,108</u>
562,116	4,822,302	7,947,894	5,021,363
<u>3,907,590</u>	<u>24,788,530</u>	<u>65,555,753</u>	<u>60,534,390</u>
<u>\$ 4,469,706</u>	<u>\$ 29,610,832</u>	<u>\$ 73,503,647</u>	<u>\$ 65,555,753</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, 2012**

NET INCREASE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 7,947,894

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	\$ 8,282,446	
Assets of governmental activities reassigned to proprietary funds	(196,000)	
Depreciation expense	<u>(9,704,785)</u>	(1,618,339)
  
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. (206,538)
  
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 position. 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	1,915,000	
New debt issued	<u>(4,815,000)</u>	(2,900,000)
  
4. Debt issuance premiums and discounts are reported in the governmental funds as an other financing source or use at the time of issuance. However, they are reported as an unamortized asset or liability in the governmental fund statements. (344,847)
  
5. Interest expense in the government-wide statement of activities differs from the amount reported in governmental funds because additional accrued interest was calculated for bonds payable, and additional expense was recognized on the amortization of bond discounts and premiums which are expended in the governmental fund statements.

Accrued interest payable	(68,372)	
Amortization of deferred issuance costs	(132,637)	
Amortization of bond discounts and premium	<u>42,444</u>	(158,565)
  
6. Capital assets contributed to the City by developers are not current financial resources, therefore not reported in the governmental fund statements. 3,296,241
  
7. Governmental funds report outlays of housing loans as expenditures while in the government-wide statement the disbursement increases notes receivable in the statement of net position and does not affect the statement of activities. 49,270
  
8. 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 position of the internal service funds, which are reported with governmental activities. 1,453,302
  
9. The net effect of various transactions involving capital assets (i.e. sales and dispositions) is to decrease net position. (4,346)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 7,514,072

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, 2012  
(with comparative actual amounts for year ended December 31, 2011)**

	2012			2011
	Original and Final Budget	Actual	Variance with Final Budget	Actual
REVENUES:				
Taxes	\$ 22,671,000	\$ 22,779,828	\$ 108,828	\$ 22,216,346
Special assessments	2,600	5,231	2,631	22,277
Licenses and permits	2,641,230	3,803,616	1,162,386	3,081,423
Intergovernmental	2,018,578	2,097,962	79,384	1,838,224
Charges for services	1,572,170	1,966,354	394,184	2,365,808
Fines and forfeitures	775,500	847,244	71,744	877,689
Contributions	700	21,118	20,418	4,072
Interest income	20,000	113,762	93,762	207,415
Other revenues	51,200	142,026	90,826	149,515
Total revenues	<u>29,752,978</u>	<u>31,777,141</u>	<u>2,024,163</u>	<u>30,762,769</u>
EXPENDITURES:				
General government	4,667,519	4,680,096	(12,577)	4,177,043
Parks and recreation	5,057,969	4,970,159	87,810	4,840,135
Public safety	14,764,982	14,207,987	556,995	13,482,829
Public works	5,399,933	4,880,400	519,533	5,055,942
Total expenditures	<u>29,890,403</u>	<u>28,738,642</u>	<u>1,151,761</u>	<u>27,555,949</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(137,425)</u>	<u>3,038,499</u>	<u>3,175,924</u>	<u>3,206,820</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	266,925	305,094	38,169	245,425
Transfers out	(129,500)	(3,028,966)	(2,899,466)	(3,280,729)
Total other financing sources (uses)	<u>137,425</u>	<u>(2,723,872)</u>	<u>(2,861,297)</u>	<u>(3,035,304)</u>
NET CHANGE IN FUND BALANCE	-	314,627	314,627	171,516
FUND BALANCE AT BEGINNING OF YEAR	<u>12,007,962</u>	<u>12,007,962</u>	-	<u>11,836,446</u>
FUND BALANCE AT END OF YEAR	<u>\$ 12,007,962</u>	<u>\$ 12,322,589</u>	<u>\$ 314,627</u>	<u>\$ 12,007,962</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, 2012  
(with comparative actual amounts for year ended December 31, 2011)**

	2012			2011
	Original and Final Budget	Actual	Variance with Final Budget	Actual
REVENUES:				
Intergovernmental	\$ 2,332,000	\$ 2,105,844	\$ (226,156)	\$ 2,787,378
Charges for services	1,100,000	1,006,367	(93,633)	1,051,548
Interest income	15,000	48,890	33,890	79,785
Total revenues	<u>3,447,000</u>	<u>3,161,101</u>	<u>(285,899)</u>	<u>3,918,711</u>
EXPENDITURES:				
Current:				
Public service:				
Personal services	171,481	169,065	2,416	166,917
Materials and supplies	500	930	(430)	52
Contractual services	4,037,234	3,393,592	643,642	3,677,689
Capital outlay	233,000	-	233,000	-
Total expenditures	<u>4,442,215</u>	<u>3,563,587</u>	<u>878,628</u>	<u>3,844,658</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(995,215)</u>	<u>(402,486)</u>	<u>592,729</u>	<u>74,053</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,013,850	-	(1,013,850)	60,518
Transfers out	<u>(18,635)</u>	<u>(18,635)</u>	<u>-</u>	<u>(22,996)</u>
Total other financing sources (uses)	<u>995,215</u>	<u>(18,635)</u>	<u>(1,013,850)</u>	<u>37,522</u>
NET CHANGE IN FUND BALANCE	-	(421,121)	(421,121)	111,575
FUND BALANCE AT BEGINNING OF YEAR	<u>4,656,717</u>	<u>4,656,717</u>	<u>-</u>	<u>4,545,142</u>
FUND BALANCE AT END OF YEAR	<u>\$ 4,656,717</u>	<u>\$ 4,235,596</u>	<u>\$ (421,121)</u>	<u>\$ 4,656,717</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, 2012  
(with comparative actual amounts for year ended December 31, 2011)**

	2012			2011
	Original and Final Budget	Actual	Variance with Final Budget	Actual
<b>REVENUES:</b>				
General property taxes	\$ 21,433	\$ 21,483	\$ 50	\$ 13,454
Intergovernmental	378,411	291,629	(86,782)	388,349
Interest income	500	433	(67)	426
Total revenues	<u>400,344</u>	<u>313,545</u>	<u>(86,799)</u>	<u>402,229</u>
<b>EXPENDITURES:</b>				
Current:				
Public service:				
Personal services	86,421	84,844	1,577	82,680
Materials and supplies	300	-	300	141
Contractual services	313,623	239,604	74,019	320,037
Total expenditures	<u>400,344</u>	<u>324,448</u>	<u>75,896</u>	<u>402,858</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(10,903)</u>	<u>(10,903)</u>	<u>(629)</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,652)</u>
NET CHANGE IN FUND BALANCE	-	(10,903)	(10,903)	(2,281)
FUND BALANCE AT BEGINNING OF YEAR	<u>51,579</u>	<u>51,579</u>	<u>-</u>	<u>53,860</u>
FUND BALANCE AT END OF YEAR	<u>\$ 51,579</u>	<u>\$ 40,676</u>	<u>\$ (10,903)</u>	<u>\$ 51,579</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 Fund - This fund is used to account for resources used to administer the City's surface water plan, erosion control, wetland regulations, and environmental programs including planning, projects, and maintenance.



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**CITY OF PLYMOUTH, MINNESOTA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2012**  
(with comparative totals for December 31, 2011)

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Water Sewer Utility</b>	<b>Ice Center</b>	<b>Water Resources</b>	<b>Nonmajor Funds</b>
<b><u>ASSETS</u></b>				
Current assets:				
Cash and investments	\$ 21,031,955	\$ 749,960	\$ 3,441,151	\$ 3,915,300
Accounts receivable	3,047,983	223,298	-	24,725
Special assessments receivable	1,318,375	-	-	-
Accrued interest receivable	64,176	2,281	10,505	11,945
Due from other governments	-	-	-	-
Inventory	48,525	7,425	-	-
Prepaid items	403,712	145	3,563	150
Total current assets	<u>25,914,726</u>	<u>983,109</u>	<u>3,455,219</u>	<u>3,952,120</u>
Noncurrent assets:				
Restricted cash and investments	5,201,909	-	-	-
Special assessments receivable	5,584,399	-	-	-
Capital assets:				
Land	2,074,063	1,077,650	-	47,551
Buildings	38,942,892	12,357,863	-	1,401,187
Improvements other than buildings	1,205,467	1,234,484	697,043	248,368
Machinery and equipment	12,429,570	1,021,584	241,674	134,330
Infrastructure	86,465,123	-	5,987,829	-
Construction in progress	2,680,514	-	1,807,516	-
Total capital assets	<u>143,797,629</u>	<u>15,691,581</u>	<u>8,734,062</u>	<u>1,831,436</u>
Less accumulated depreciation	<u>(53,507,466)</u>	<u>(5,888,782)</u>	<u>(702,394)</u>	<u>(1,297,480)</u>
Net capital assets	<u>90,290,163</u>	<u>9,802,799</u>	<u>8,031,668</u>	<u>533,956</u>
Total noncurrent assets	<u>101,076,471</u>	<u>9,802,799</u>	<u>8,031,668</u>	<u>533,956</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 126,991,197</b></u>	<u><b>\$ 10,785,908</b></u>	<u><b>\$ 11,486,887</b></u>	<u><b>\$ 4,486,076</b></u>

(Continued...)



				<b>Governmental Activities - Internal Service Funds</b>	
<b>Totals</b>		<b>Totals</b>			
<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>		
\$ 29,138,366	\$ 27,711,996	\$ 28,951,254	27,809,942		
3,296,006	3,241,489	-	2,863		
1,318,375	6,593,879	-	-		
88,907	93,920	87,524	94,359		
-	300	11,474	5,395		
55,950	50,919	133,382	136,919		
407,570	2,061	191,806	199,588		
<u>34,305,174</u>	<u>37,694,564</u>	<u>29,375,440</u>	<u>28,249,066</u>		
5,201,909	-	-	-		
5,584,399	-	-	-		
3,199,264	3,199,264	33,520	33,520		
52,701,942	52,185,015	129,967	129,967		
3,385,362	3,105,068	536,725	489,987		
13,827,158	13,457,742	17,574,141	16,645,955		
92,452,952	87,819,003	-	-		
4,488,030	3,667,940	396,756	11,790		
170,054,708	163,434,032	18,671,109	17,311,219		
(61,396,122)	(56,946,463)	(11,242,680)	(10,934,556)		
<u>108,658,586</u>	<u>106,487,569</u>	<u>7,428,429</u>	<u>6,376,663</u>		
<u>119,444,894</u>	<u>106,487,569</u>	<u>7,428,429</u>	<u>6,376,663</u>		
<u>\$ 153,750,068</u>	<u>\$ 144,182,133</u>	<u>\$ 36,803,869</u>	<u>\$ 34,625,729</u>		

**CITY OF PLYMOUTH, MINNESOTA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2012**  
(with comparative totals for December 31, 2011)

(Continued from previous page)

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Water Sewer Utility</b>	<b>Ice Center</b>	<b>Water Resources</b>	<b>Nonmajor Funds</b>
<b><u>LIABILITIES</u></b>				
Current liabilities:				
Accounts payable	\$ 299,865	\$ 69,894	\$ 29,256	\$ 83,855
Contracts payable	26,288	-	279,529	-
Accrued salaries and benefits payable	56,303	15,310	17,400	4,075
Compensated absences payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	331,196	4,096	-	1,784
Unearned revenue	45,714	44,074	-	71,872
Accrued interest payable	205,329	-	-	-
Advances from other funds	-	121,289	-	-
Revenue bonds payable	940,000	-	-	-
Total current liabilities	<u>1,904,695</u>	<u>254,663</u>	<u>326,185</u>	<u>161,586</u>
Noncurrent liabilities:				
OPEB (net)	-	-	-	-
Compensated absences payable	-	-	-	-
Advances from other funds	-	766,911	-	-
Revenue bonds payable (net of unamortized premiums/discounts)	11,101,737	-	-	-
Total noncurrent liabilities	<u>11,101,737</u>	<u>766,911</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>13,006,432</u>	<u>1,021,574</u>	<u>326,185</u>	<u>161,586</u>
<b><u>NET POSITION</u></b>				
Net investment in capital assets	83,450,335	9,802,799	8,031,668	533,956
Restricted for:				
Utility trunk	21,233,359	-	-	-
Water resources	-	-	3,129,034	-
Unrestricted	9,301,071	(38,465)	-	3,790,534
Total net position	<u>113,984,765</u>	<u>9,764,334</u>	<u>11,160,702</u>	<u>4,324,490</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 126,991,197</u>	<u>\$ 10,785,908</u>	<u>\$ 11,486,887</u>	<u>\$ 4,486,076</u>

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

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

				<b>Governmental Activities - Internal Service Funds</b>	
<b>Totals</b>		<b>Totals</b>			
<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>		
\$ 482,870	\$ 377,984	\$ 1,347,290	\$ 751,617		
305,817	279,766	137,431	-		
93,088	73,842	57,075	161,782		
-	-	1,621,802	1,594,752		
-	-	-	20,000		
337,076	173,082	7,932	140,558		
161,660	144,032	996	350		
205,329	122,844	-	-		
121,289	102,861	-	-		
940,000	828,000	-	-		
<u>2,647,129</u>	<u>2,102,411</u>	<u>3,172,526</u>	<u>2,669,059</u>		
-	-	945,228	777,489		
-	-	764,737	763,393		
766,911	888,201	-	-		
<u>11,101,737</u>	<u>6,712,836</u>	<u>-</u>	<u>-</u>		
<u>11,868,648</u>	<u>7,601,037</u>	<u>1,709,965</u>	<u>1,540,882</u>		
<u>14,515,777</u>	<u>9,703,448</u>	<u>4,882,491</u>	<u>4,209,941</u>		
101,818,758	98,946,733	7,428,429	6,376,663		
21,233,359	19,572,117	-	-		
3,129,034	2,923,948	-	-		
<u>13,053,140</u>	<u>13,035,887</u>	<u>24,492,949</u>	<u>24,039,125</u>		
<u>139,234,291</u>	<u>134,478,685</u>	<u>31,921,378</u>	<u>30,415,788</u>		
<u>\$ 153,750,068</u>	<u>\$ 144,182,133</u>	<u>\$ 36,803,869</u>	<u>\$ 34,625,729</u>		
\$ 139,234,291	\$ 134,478,685				
(183,314)	(235,602)				
<u>\$ 139,050,977</u>	<u>\$ 134,243,083</u>				

**CITY OF PLYMOUTH, MINNESOTA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED DECEMBER 31, 2012**  
**(with comparative totals for year ended December 31, 2011)**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Water Sewer Utility</b>	<b>Ice Center</b>	<b>Water Resources</b>	<b>Nonmajor Funds</b>
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 14,210,707	\$ 1,465,434	\$ 2,571,638	\$ 748,720
Other fees	26,880	-	1,256	218,521
Other sales	-	-	-	-
Total operating revenue	<u>14,237,587</u>	<u>1,465,434</u>	<u>2,572,894</u>	<u>967,241</u>
<b>OPERATING EXPENSES:</b>				
Personal services	2,354,546	536,201	753,989	212,409
Materials and supplies	945,623	124,958	163,693	21,656
Contractual services	7,599,715	534,740	848,007	879,804
Depreciation	3,808,735	455,554	169,821	24,096
Total operating expenses	<u>14,708,619</u>	<u>1,651,453</u>	<u>1,935,510</u>	<u>1,137,965</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(471,032)</u>	<u>(186,019)</u>	<u>637,384</u>	<u>(170,724)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest income	583,088	12,010	29,977	45,127
Intergovernmental	25,000	-	100,986	202,405
Assessments	2,958,092	-	-	-
Gain on disposal of capital assets	406	-	-	-
Other	54,618	575	5,348	-
Interest expense	(374,190)	(52,031)	-	-
Total nonoperating revenues (expenses)	<u>3,247,014</u>	<u>(39,446)</u>	<u>136,311</u>	<u>247,532</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	2,775,982	(225,465)	773,695	76,808
<b>CAPITAL CONTRIBUTIONS</b>	3,693,474	9,000	997,834	-
<b>TRANSFERS IN</b>	-	-	6,028	-
<b>TRANSFERS OUT</b>	<u>(2,927,956)</u>	<u>(11,939)</u>	<u>(140,946)</u>	<u>(270,909)</u>
<b>CHANGES IN NET POSITION</b>	3,541,500	(228,404)	1,636,611	(194,101)
<b>NET POSITION AT BEGINNING OF YEAR</b>	<u>110,443,265</u>	<u>9,992,738</u>	<u>9,524,091</u>	<u>4,518,591</u>
<b>NET POSITION AT END OF YEAR</b>	<u>\$ 113,984,765</u>	<u>\$ 9,764,334</u>	<u>\$ 11,160,702</u>	<u>\$ 4,324,490</u>

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

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

				<b>Governmental Activities - Internal Service Funds</b>			
				<b>Totals</b>			
<b>Totals</b>		<b>Totals</b>		<b>Totals</b>		<b>Totals</b>	
<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
\$ 18,996,499	\$ 17,617,062	\$ 8,450,734	\$ 8,735,623				
246,657	556,575	-	-				
-	-	1,210,373	282,884				
<u>19,243,156</u>	<u>18,173,637</u>	<u>9,661,107</u>	<u>9,018,507</u>				
3,857,145	3,963,773	3,855,326	3,987,672				
1,255,930	1,189,609	1,105,744	957,805				
9,862,266	9,644,609	2,747,826	2,553,432				
4,458,206	4,229,660	1,315,549	1,325,704				
<u>19,433,547</u>	<u>19,027,651</u>	<u>9,024,445</u>	<u>8,824,613</u>				
(190,391)	(854,014)	636,662	193,894				
670,202	717,346	325,968	485,129				
328,391	1,180,072	7,838	27,705				
2,958,092	4,937,281	-	-				
406	-	132,559	97,535				
60,541	56,007	25,899	21,722				
(426,221)	(356,335)	-	-				
<u>3,591,411</u>	<u>6,534,371</u>	<u>492,264</u>	<u>632,091</u>				
3,401,020	5,680,357	1,128,926	825,985				
4,700,308	7,474,359	110,551	85,435				
6,028	166,673	445,660	868,888				
<u>(3,351,750)</u>	<u>(5,688,799)</u>	<u>(179,547)</u>	<u>(369,870)</u>				
4,755,606	7,632,590	1,505,590	1,410,438				
<u>134,478,685</u>	<u>126,846,095</u>	<u>30,415,788</u>	<u>29,005,350</u>				
<u>\$ 139,234,291</u>	<u>\$ 134,478,685</u>	<u>\$ 31,921,378</u>	<u>\$ 30,415,788</u>				
\$ 4,755,606	\$ 7,632,590						
52,288	64,923						
<u>\$ 4,807,894</u>	<u>\$ 7,697,513</u>						

**CITY OF PLYMOUTH, MINNESOTA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2012**  
**(with comparative totals for year ended December 31, 2011)**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Water Sewer Utility</b>	<b>Ice Center</b>	<b>Water Resources</b>	<b>Nonmajor Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers or users	\$ 14,091,181	\$ 1,503,866	\$ 2,572,894	\$ 985,943
Payments to suppliers	(8,616,862)	(665,066)	(1,096,773)	(881,159)
Payments to employees	(2,341,039)	(532,821)	(750,935)	(213,104)
Other operating revenue	54,618	575	5,348	-
Net cash flows from operating activities	<u>3,187,898</u>	<u>306,554</u>	<u>730,534</u>	<u>(108,320)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Intergovernmental revenues	25,000	-	100,986	202,705
Payment on advances from other funds	-	(102,861)	-	-
Transfers in from other funds	-	-	6,028	-
Transfers out to other funds	(2,927,956)	(11,939)	(140,946)	(270,909)
Net cash flows from noncapital financing activities	<u>(2,902,956)</u>	<u>(114,800)</u>	<u>(33,932)</u>	<u>(68,204)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition and construction of capital assets	(2,021,826)	(67,105)	(543,854)	-
Special assessments for future construction	2,701,580	-	-	-
Bond proceeds received	5,319,497	-	-	-
Contributions	720,923	9,000	-	-
Proceeds from sale of capital assets	406	-	-	-
Principal paid on capital debt	(830,000)	-	-	-
Interest paid on capital debt	(280,301)	(52,031)	-	-
Net cash flows from capital and related financing activities	<u>5,610,279</u>	<u>(110,136)</u>	<u>(543,854)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment earnings	585,798	11,821	30,545	47,052
Purchase of investments	(5,201,909)	-	-	-
Net cash flows from investing activities	<u>(4,616,111)</u>	<u>11,821</u>	<u>30,545</u>	<u>47,052</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>1,279,110</b>	<b>93,439</b>	<b>183,293</b>	<b>(129,472)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b><u>19,752,845</u></b>	<b><u>656,521</u></b>	<b><u>3,257,858</u></b>	<b><u>4,044,772</u></b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u><u>\$ 21,031,955</u></u></b>	<b><u><u>\$ 749,960</u></u></b>	<b><u><u>\$ 3,441,151</u></u></b>	<b><u><u>\$ 3,915,300</u></u></b>

(Continued...)

				<b>Governmental Activities - Internal Service Funds</b>			
<b>Totals</b>				<b>Totals</b>			
<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
\$ 19,153,884	\$ 18,020,243	\$ 8,445,301	\$ 8,792,045				
(11,259,860)	(10,792,247)	(3,241,773)	(3,711,309)				
(3,837,899)	(3,968,885)	(3,781,037)	(3,803,219)				
60,541	56,007	1,236,272	304,606				
<u>4,116,666</u>	<u>3,315,118</u>	<u>2,658,763</u>	<u>1,582,123</u>				
328,691	1,198,378	7,838	27,705				
(102,861)	(97,730)	-	-				
6,028	166,673	445,660	868,888				
<u>(3,351,750)</u>	<u>(5,688,799)</u>	<u>(179,547)</u>	<u>(369,870)</u>				
<u>(3,119,892)</u>	<u>(4,421,478)</u>	<u>273,951</u>	<u>526,723</u>				
(2,632,785)	(3,209,785)	(2,391,438)	(603,836)				
2,701,580	2,983,240	-	-				
5,319,497	-	-	-				
729,923	680,196	110,551	73,986				
406	-	156,681	98,692				
(830,000)	(805,000)	-	-				
<u>(332,332)</u>	<u>(366,073)</u>	<u>-</u>	<u>-</u>				
<u>4,956,289</u>	<u>(717,422)</u>	<u>(2,124,206)</u>	<u>(431,158)</u>				
675,216	667,365	332,804	429,961				
<u>(5,201,909)</u>	<u>-</u>	<u>-</u>	<u>-</u>				
<u>(4,526,693)</u>	<u>667,365</u>	<u>332,804</u>	<u>429,961</u>				
1,426,370	(1,156,417)	1,141,312	2,107,649				
<u>27,711,996</u>	<u>28,868,413</u>	<u>27,809,942</u>	<u>25,702,293</u>				
<u>\$ 29,138,366</u>	<u>\$ 27,711,996</u>	<u>\$ 28,951,254</u>	<u>\$ 27,809,942</u>				

**CITY OF PLYMOUTH, MINNESOTA  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 YEAR ENDED DECEMBER 31, 2012  
 (with comparative totals for year ended December 31, 2011)**

(Continued from previous page)

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Water Sewer Utility</b>	<b>Ice Center</b>	<b>Water Resources</b>	<b>Nonmajor Funds</b>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	\$ (471,032)	\$ (186,019)	\$ 637,384	\$ (170,724)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	3,808,735	455,554	169,821	24,096
Other revenue	54,618	575	5,348	-
Changes in assets and liabilities:				
Accounts receivable	(110,847)	44,978	-	11,352
Special assessments receivable	(52,383)	-	-	-
Due from other governments	-	-	-	-
Inventory	(2,528)	(2,509)	-	-
Prepaid expenses	(403,712)	(145)	(1,500)	(150)
Accounts payable	171,169	(1,377)	(83,573)	18,667
Due to other funds	-	-	-	-
Due to other governments	163,547	(1,337)	-	1,784
Accrued salaries payable	13,507	3,380	3,054	(695)
OPEB	-	-	-	-
Compensated absences payable	-	-	-	-
Unearned revenue	16,824	(6,546)	-	7,350
Total adjustments	<u>3,658,930</u>	<u>492,573</u>	<u>93,150</u>	<u>62,404</u>
Net cash flows from operating activities	<u>\$ 3,187,898</u>	<u>\$ 306,554</u>	<u>\$ 730,534</u>	<u>\$ (108,320)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
Contributions of capital assets from governmental funds	150,834	-	45,166	-
Contribution of capital asset from others	2,821,717	-	952,666	-
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	(33,609)	-	59,660	-

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



		<b>Governmental Activities - Internal Service Funds</b>	
<b>Totals</b>		<b>Totals</b>	
<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
\$ (190,391)	\$ (854,014)	\$ 636,662	\$ 193,894
4,458,206	4,229,660	1,315,549	1,325,704
60,541	56,007	25,899	21,722
(54,517)	(117,276)	2,863	122,114
(52,383)	23,594	-	-
-	57	(6,079)	3,781
(5,037)	4,898	3,537	(16,068)
(405,507)	(2,061)	7,782	(196,511)
104,886	(123,330)	733,104	(126,030)
-	-	(20,000)	20,000
163,994	162,464	(132,626)	138,537
19,246	(5,112)	(104,707)	(8,676)
-	-	167,739	170,744
-	-	28,394	(66,913)
17,628	(59,769)	646	(175)
<u>4,307,057</u>	<u>4,169,132</u>	<u>2,022,101</u>	<u>1,388,229</u>
<u>\$ 4,116,666</u>	<u>\$ 3,315,118</u>	<u>\$ 2,658,763</u>	<u>\$ 1,582,123</u>
196,000	2,305,879	21,400	-
3,774,383	5,166,480	7,400	11,449
-	-	51,500	-
-	-	(11,845)	-
26,051	217,804	137,431	(27,768)

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## **NOTES TO FINANCIAL STATEMENTS**



**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

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

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

**A. FINANCIAL REPORTING ENTITY**

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

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

*Discretely Presented Component Units*

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

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

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

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

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

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

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

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

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

**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

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**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 Fund* – 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* – 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.

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 central equipment, public facilities, information technology, risk management, employee benefits, and resource planning services provided to other departments of the City on a cost-reimbursement basis.

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

Governmental Funds:

- *Measurement Focus* - Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and 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 position.

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

- *Basis of Accounting* - Governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.
- *Revenues* - Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property taxes, including delinquent taxes received within 60 days after year-end to be available. Licenses and permits, fines and forfeitures, intergovernmental revenues, charges for services, and investment earnings are considered to be available if they are collected within 60 days. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.
- *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, compensated absences, and other postemployment benefits, 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 position.
- *Basis of Accounting* - Proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded at the time liabilities are incurred. Unbilled utility service receivables are recorded at year-end.
- *Operating versus Non-operating Items* - Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenue of the City’s enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.



**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 POSITION, OR EQUITY**

**1. Cash and Investments**

Deposits and Investments

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

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.

Restricted Cash and Investments

Restricted cash and investments represent assets held in escrow for specific purposes. It represents crossover refunding bond proceeds placed in an escrow account pending the call of the refunded bonds. Earnings on these investments are allocated directly to these funds.

**2. Receivables and Payables**

During the course of operations, transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet and are short-term in nature. Advances to other funds and advances from other funds are considered long-term receivables/payables. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as “internal balances”.

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

Within the governmental fund financial statements, property taxes are accrued and recognized as revenue, excluding delinquent taxes received over 60 days after year-end. Taxes that remain unpaid are classified as delinquent taxes receivable and are fully offset by 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.

Within the governmental fund financial statements, special assessment principal installments are recognized as revenue when they become measurable and available. Special assessment interest revenues are recognized when due, net of delinquencies. 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.

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

Receivables not expected to be collected within one year are notes receivable of \$2,429,526, interest on notes receivable of \$104,475 and deferred special assessments receivable of \$5,663,982.

**3. Inventories and Prepaid Items**

All inventories are valued at cost using the first-in/first-out (FIFO) method. The cost of inventory is recorded as an expenditure when consumed (i.e., consumption method) in the Governmental Fund types.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than purchased.

**4. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated 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**

Land and construction in progress are not depreciated. Property, plant, and equipment of the primary government, as well as the component unit, is depreciated using the straight line method over the following estimated useful lives:

<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 position. The related expenditures/expenses are reflected on the fund statements based on each employees’ distribution. The City compensates all employees upon termination for unused leave up to a maximum of 480 hours.

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

**6. *Long-Term Obligations***

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

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

**7. *Interfund Activity***

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

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

**8. Fund Balance Classifications**

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

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

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

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

**Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. BUDGETS AND BUDGETARY ACCOUNTING**

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

Budgeted amounts are as originally adopted, or as amended by the City Council. 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.

**B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

Expenditures exceeded appropriations in the Recreation Special Revenue Fund by \$36,959, which were financed with revenues in excess of budget.

**C. DEFICIT FUND EQUITY**

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

<u>Fund</u>	<u>Fund Balance</u>
Component Unit - Vicksburg Crossing	\$ (1,107,898)

**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

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**Note 3: CASH AND INVESTMENTS**

**A. COMPONENTS OF CASH AND INVESTMENTS**

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

	Primary Government	Component Unit	Total
Deposits	\$ 626,774	\$ 688,703	\$ 1,315,477
Investments	138,984,501	13,747,207	152,731,708
Cash on hand	5,220	-	5,220
Total	<u>\$ 139,616,495</u>	<u>\$ 14,435,910</u>	<u>\$ 154,052,405</u>

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

Statement of Net Position:

Cash and investments	\$ 129,411,157	\$ 4,624,322	\$ 134,035,479
Restricted cash and investments	10,205,338	9,811,588	20,016,926
Total cash and investments	<u>\$ 139,616,495</u>	<u>\$ 14,435,910</u>	<u>\$ 154,052,405</u>

**B. DEPOSITS**

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

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

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

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

At year-end, the carrying amount of the City’s deposits was \$626,774 while the balance on the bank records was \$1,256,807. The carrying amount of the component unit’s deposits was \$688,703 while the balance on the bank records was \$704,637. At December 31, 2012, all deposits were fully covered by federal depository insurance or by collateral held by the City’s agent in the City’s name.

**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

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

**C. INVESTMENTS**

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

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

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	
US Government Securities:					
US Treasury Securities	\$ 563,710	\$ 10,356,810	\$ -	\$ -	\$ 10,920,520
GNMA Pass Through Pool	-	-	-	6,839,655	6,839,655
US Agency Securities:					
Federal Agriculture					
Mortgage Corporation	-	4,006,420	1,985,050	-	5,991,470
Federal Farm Credit Bank	-	3,583,620	-	-	3,583,620
Federal Home Loan Bank	2,516,775	5,545,180	8,979,060	1,004,470	18,045,485
Federal Home Loan					
Mortgage Corporation	-	17,022,665	8,015,780	1,001,720	26,040,165
Federal National					
Mortgage Association	-	6,118,027	22,068,810	-	28,186,837
FNMA Pass Through Pool	-	-	3,883,507	3,072,565	6,956,072
Municipal Bonds	3,086,030	9,752,984	9,203,185	-	22,042,199
Negotiable Certificates of Deposit	-	1,240,132	-	-	1,240,132
Commercial Paper	2,101,178	-	-	-	2,101,178
Money Market Mutual Fund	20,784,375	-	-	-	20,784,375
Total investments	<u>\$ 29,052,068</u>	<u>\$ 57,625,838</u>	<u>\$ 54,135,392</u>	<u>\$ 11,918,410</u>	152,731,708
Deposits					1,315,477
Change funds					5,220
Cash and investments					<u>\$ 154,052,405</u>

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

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

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

**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, 2012, the City's investments in US government securities and US agency securities were rated AA+ by Standard & Poor's and/or Aaa by Moody's Investors Service, municipal bonds were rated AA or higher by Standard & Poor's and/or AA1 or higher by Moody's Investor Service, commercial paper was rated A1+ by Standard & Poor's and P1 by Moody's Investor Service 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 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as Treasuries), investment pools, and mutual funds. It is the City's policy to limit its investment in commercial paper to no more than 20% of the total portfolio. The City's holdings at year end fully complied with this requirement. At year end, the City's investments in three U.S. Agency issuers did exceed 5% of the total portfolio. These issuers were the 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 19.02% of investments with a maturity date within one year, 37.73% with a maturity date between one and five years, 35.45% with a maturity date between six and ten years, and 7.80% with a maturity date between eleven and fifteen years.



**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

**Note 4: CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2012 was as follows:

	Beginning Balance	Additions	Decreases	Ending Balance
<b>Primary government:</b>				
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 30,727,752	\$ 1,854,579	\$ -	\$ 32,582,331
Construction in progress	11,644,882	8,439,351	(4,735,117)	15,349,116
Total capital assets, not being depreciated	<u>42,372,634</u>	<u>10,293,930</u>	<u>(4,735,117)</u>	<u>47,931,447</u>
Capital assets, being depreciated				
Buildings	39,712,748	241,188	(241,136)	39,712,800
Improvements other than buildings	20,943,447	945,740	(8,014)	21,881,173
Machinery and equipment	29,455,179	2,237,226	(1,082,773)	30,609,632
Infrastructure	234,733,432	4,791,157	-	239,524,589
Total capital assets, being depreciated	<u>324,844,806</u>	<u>8,215,311</u>	<u>(1,331,923)</u>	<u>331,728,194</u>
(Less) Accumulated depreciation for:				
Buildings	(12,834,566)	(1,044,128)	237,516	(13,641,178)
Improvements other than buildings	(9,191,799)	(968,592)	7,289	(10,153,102)
Machinery and equipment	(17,042,002)	(1,867,907)	1,058,650	(17,851,259)
Infrastructure	(149,425,330)	(7,139,707)	-	(156,565,037)
Total accumulated depreciation	<u>(188,493,697)</u>	<u>(11,020,334)</u>	<u>1,303,455</u>	<u>(198,210,576)</u>
Total capital assets, being depreciated, net	<u>136,351,109</u>	<u>(2,805,023)</u>	<u>(28,468)</u>	<u>133,517,618</u>
Governmental activities capital assets, net	<u>\$ 178,723,743</u>	<u>\$ 7,488,907</u>	<u>\$ (4,763,585)</u>	<u>\$ 181,449,065</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 3,199,264	\$ -	\$ -	\$ 3,199,264
Construction in progress	3,667,940	2,568,136	(1,748,046)	4,488,030
Total capital assets, not being depreciated	<u>6,867,204</u>	<u>2,568,136</u>	<u>(1,748,046)</u>	<u>7,687,294</u>
Capital assets, being depreciated				
Buildings	52,185,015	516,927	-	52,701,942
Improvements other than buildings	3,105,068	280,294	-	3,385,362
Machinery and equipment	13,457,742	377,963	(8,547)	13,827,158
Infrastructure	87,819,003	4,633,949	-	92,452,952
Total capital assets, being depreciated	<u>156,566,828</u>	<u>5,809,133</u>	<u>(8,547)</u>	<u>162,367,414</u>
(Less) Accumulated depreciation for:				
Buildings	(18,852,957)	(1,472,355)	-	(20,325,312)
Improvements other than buildings	(1,311,600)	(167,085)	-	(1,478,685)
Machinery and equipment	(7,644,185)	(988,975)	8,547	(8,624,613)
Infrastructure	(29,137,721)	(1,829,791)	-	(30,967,512)
Total accumulated depreciation	<u>(56,946,463)</u>	<u>(4,458,206)</u>	<u>8,547</u>	<u>(61,396,122)</u>
Total capital assets, being depreciated, net	<u>99,620,365</u>	<u>1,350,927</u>	<u>-</u>	<u>100,971,292</u>
Business-type activities capital assets, net	<u>\$ 106,487,569</u>	<u>\$ 3,919,063</u>	<u>\$ (1,748,046)</u>	<u>\$ 108,658,586</u>

**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

**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	(6,812)	(5,839)	-	(12,651)
Governmental activities capital assets, net	<u>\$ 168,357</u>	<u>\$ (5,839)</u>	<u>\$ -</u>	<u>\$ 162,518</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>1,337,315</u>	<u>-</u>	<u>(3,475)</u>	<u>1,333,840</u>
 Capital assets, being depreciated				
Buildings	15,094,825	-	-	15,094,825
Improvements other than buildings	350,183	-	-	350,183
Machinery and equipment	612,464	142,170	-	754,634
Total capital assets, being depreciated	<u>16,057,472</u>	<u>142,170</u>	<u>-</u>	<u>16,199,642</u>
 (Less) Accumulated depreciation for:				
Buildings	(4,322,610)	(508,448)	-	(4,831,058)
Improvements other than buildings	(123,509)	(15,412)	-	(138,921)
Machinery and equipment	(400,894)	(41,247)	-	(442,141)
Total accumulated depreciation	<u>(4,847,013)</u>	<u>(565,107)</u>	<u>-</u>	<u>(5,412,120)</u>
Total capital assets, being depreciated, net	<u>11,210,459</u>	<u>(422,937)</u>	<u>-</u>	<u>10,787,522</u>
Total capital assets, net	<u>\$ 12,547,774</u>	<u>\$ (422,937)</u>	<u>\$ (3,475)</u>	<u>\$ 12,121,362</u>

**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

**Note 4: CAPITAL ASSETS – CONTINUED**

<u>Primary government:</u>	<u>Amount</u>
Depreciation expense was charged to governmental functions as follows:	
General Government	\$ 265,840
Parks and Recreation	1,300,277
Public Safety	511,709
Public Works	7,436,666
Public Service	190,293
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>1,315,549</u>
Total depreciation expense - governmental activities	<u><u>\$ 11,020,334</u></u>
Depreciation expense was charged to business-type functions as follows:	
Water Sewer Utility	\$ 3,808,735
Ice Center	455,554
Water Resources	169,821
Field House	24,096
Total depreciation expense - business-type activities	<u><u>\$ 4,458,206</u></u>
 <u>Component unit:</u>	
Depreciation expense was charged to governmental functions as follows:	
Public Service	<u><u>\$ 5,839</u></u>
Depreciation expense was charged to business-type functions as follows:	
Plymouth Towne Square	\$ 197,359
Vicksburg Crossing	<u>367,748</u>
Total depreciation expense - component unit activities	<u><u>\$ 565,107</u></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	\$ 211,101	\$ -
Water resources management	-	22,576
Public facilities	-	<u>23,278</u>
Total	<u><u>\$ 211,101</u></u>	<u><u>\$ 45,854</u></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, 2012**

**Note 5: LONG-TERM DEBT – CONTINUED**

**C. OBLIGATIONS OUTSTANDING**

Long-term obligations outstanding at December 31, 2012 are summarized as follows:

<u>Primary government</u>	<u>Interest</u>	<u>Payment</u>	<u>Issue</u>	<u>Maturity</u>	<u>Authorized</u>	<u>Amount</u>	<u>Debt</u>
	<u>Rates (%)</u>	<u>Dates</u>	<u>Date</u>	<u>Date</u>	<u>and Issued</u>	<u>Retired</u>	<u>Outstanding</u>
Governmental activities:							
GENERAL OBLIGATION BONDS:							
Capital Improvement Bonds - 2004A	3.00-4.75	2/01 8/01	9/9/04	2/1/25	\$ 7,480,000	\$ 1,885,000	\$ 5,595,000
Open Space Bonds - 2007A	3.75-3.90	2/01 8/01	11/15/07	2/1/24	2,715,000	435,000	2,280,000
Activity Center and Field House							
Refunding Bonds - 2009B	3.00	2/01 8/01	11/24/09	2/1/14	1,445,000	695,000	750,000
Open Space Bonds - 2010A	2.00-3.25	2/01 8/01	8/24/10	2/1/26	2,990,000	130,000	2,860,000
GO Refunding Bonds - 2012A	2.00-3.00	2/01 8/01	4/5/12	2/1/25	4,815,000	-	4,815,000
Total general obligation					<u>19,445,000</u>	<u>3,145,000</u>	<u>16,300,000</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	285,000	1,085,000
Tax Increment Refunding Bonds - 2009A	3.00-3.50	2/01 8/01	11/24/09	2/1/23	2,490,000	210,000	2,280,000
Total tax increment obligation					<u>3,860,000</u>	<u>495,000</u>	<u>3,365,000</u>
Total governmental activities					<u>23,305,000</u>	<u>3,640,000</u>	<u>19,665,000</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	6,415,000	6,725,000
GO Refunding Bonds - 2012A	2.00-3.00	2/01 8/01	4/5/12	2/1/19	4,955,000	-	4,955,000
Total business-type activities					<u>18,095,000</u>	<u>6,415,000</u>	<u>11,680,000</u>
Total primary government bonds payable					<u>\$ 41,400,000</u>	<u>\$ 10,055,000</u>	<u>\$ 31,345,000</u>
<u>Component unit</u>							
Business-type activities:							
Governmental Housing Project							
Housing Bonds - 2005	3.75-5.00	02/01 08/01	5/1/05	2/1/35	\$ 10,650,000	\$ 585,000	\$ 10,065,000
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
Governmental Housing Project							
Refunding Bonds - 2012A	2.00-3.25	02/01 08/01	4/5/12	2/1/35	9,890,000	-	9,890,000
Total component unit bonds payable					<u>\$ 23,705,000</u>	<u>\$ 585,000</u>	<u>\$ 23,120,000</u>

**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

**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
	2013	\$ 1,320,000	\$ 723,588	\$ 940,000	\$ 431,920	\$ 430,000
2014	1,345,000	635,120	5,925,000	253,150	455,000	790,113
2015	5,550,000	494,941	920,000	126,050	9,690,000	560,625
2016	1,010,000	360,168	935,000	102,825	670,000	328,688
2017	1,065,000	326,659	965,000	74,325	690,000	310,088
2018 - 2022	6,010,000	1,064,426	1,995,000	60,075	3,740,000	1,290,488
2023 - 2027	3,365,000	156,624	-	-	2,790,000	857,975
2028 - 2032	-	-	-	-	2,780,000	504,275
2033 - 2035	-	-	-	-	1,875,000	91,950
	<u>\$ 19,665,000</u>	<u>\$ 3,761,524</u>	<u>\$ 11,680,000</u>	<u>\$ 1,048,345</u>	<u>\$ 23,120,000</u>	<u>\$ 5,620,727</u>

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

Long-term liability activity for the year ended December 31, 2012 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	\$ 12,915,000	\$ 4,815,000	\$ 1,430,000	\$ 16,300,000	\$ 1,110,000
General obligation bonds - tax increment	3,565,000	-	200,000	3,365,000	210,000
Special assessment bonds	285,000	-	285,000	-	-
Deferred amounts:					
Issuance premiums (discounts)	138,997	344,847	42,444	441,400	-
Total bonds payable	16,903,997	5,159,847	1,957,444	20,106,400	1,320,000
OPEB liability	777,489	349,860	182,121	945,228	-
Compensated absences	2,358,145	1,618,396	1,590,002	2,386,539	1,621,802
Governmental activity					
Long-term liabilities	20,039,631	7,128,103	3,729,567	23,438,167	2,941,802
Business-type activities:					
Bonds payable:					
General obligation water revenue bonds	7,555,000	-	830,000	6,725,000	860,000
General obligation bonds - refunding	-	4,955,000	-	4,955,000	80,000
Deferred amounts:					
Issuance premiums (discounts)	(14,164)	397,109	21,208	361,737	-
Business-type activity					
Long-term liabilities	7,540,836	5,352,109	851,208	12,041,737	940,000
Primary government					
Long-term liabilities	\$ 27,580,467	\$ 12,480,212	\$ 4,580,775	\$ 35,479,904	\$ 3,881,802
<u>Component unit:</u>					
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 10,235,000	\$ -	\$ 170,000	\$ 10,065,000	\$ 185,000
General obligation bonds - refunding	6,450,000	9,890,000	3,285,000	13,055,000	245,000
Deferred amounts:					
Issuance premiums (discounts)	16,110	(28,309)	(25,045)	12,846	-
Total bonds payable	\$ 16,701,110	\$ 9,861,691	\$ 3,429,955	\$ 23,132,846	\$ 430,000

**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

**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 refunded the Governmental Housing Project Refunding Bonds, series 2003, with an average interest rate of 4.29%. The retirement of the 2003 series occurred on October 1, 2012. The refunding resulted in a \$155,768 gross debt service savings over the next 12 years and an economic gain of \$127,236.

On April 5, 2012, the City issued General Obligation Refunding Bonds, series 2012A, with an average interest rate of 2.95%, and will refund the General Obligation Capital Improvement Plan Bonds, series 2004A and the General Obligation Water Revenue Bonds, series 2004B, with average interest rates of 4.62% and 4.15%, respectively. The retirement of the 2004A and 2004B series will occur on February 1, 2015 and February 1, 2014, respectively. The refunding will result in a \$750,440 gross debt service savings over the next 13 years and an economic gain of \$684,262.

On April 5, 2012, the HRA issued Governmental Housing Project Refunding Bonds, series 2012A, with an average interest rate of 2.72%, and will refund the Governmental Housing Project Bonds, series 2005, with an average interest rate of 4.74%. The retirement of the 2005 series will occur on February 1, 2015. The refunding will result in a \$1,869,606 gross debt service savings over the next 23 years and an economic gain of \$1,215,590.

There were \$3,295,000 in Open Space Bonds authorized in November 2006 that were unissued as of December 31, 2012.

There are a number of financial limitations and restrictions contained in the various bond indentures. At December 31, 2012, the City is in compliance with all significant financial limitations and restrictions and has no federal arbitrage payable.

**E. PLEDGED REVENUE**

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

Bond Issue	Use of Proceeds	Type	Revenue Pledged		Remaining Principal and Interest	Current Year	
			Percent of Total Debt Service	Term of Pledge		Principal Paid	Pledged Revenue Received
Water Revenue Bonds - 2004B	Water Treatment System Refunding of Series 2004 Bonds above	Utility Charges	100%	2004-2019	\$ 7,092,488	\$ 1,110,300	\$ 1,165,815
Water Refunding Bonds - 2012A		*	100%	* 2005-until debt obligations are paid in full	*	*	*
Tax Increment Bonds - 2005A	Redevelopment	Tax Increment	100%	2010-until debt obligations are paid in full	\$ 1,346,906	\$ 124,558	\$ 218,712
Tax Increment Refunding Bonds - 2009A	Site Improvements within Housing District	Tax Increment	100%	2011-2023	\$ 2,773,550	\$ 198,100	\$ 141,467
Governmental Housing Refunding Bonds - 2011A	Senior Housing Project	Rental Revenue	100%	2005-2035	\$ 3,774,813	\$ 95,788	\$ 264,590
Governmental Housing Bonds - 2005	Senior Housing Project Refunding of Series 2005 Bonds above	Rental Revenue	100%		\$ 11,204,038	\$ 635,269	\$ 733,605
Governmental Housing Refunding Bonds - 2012A		**	100%	**	**	**	**

\* These bonds are refunding Water Revenue Bonds, Series 2004 - crossover date 2/4/2014.

\*\* These bonds are refunding Governmental Housing Bonds, Series 2005 - crossover date 2/1/2015.

**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

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

The composition of interfund balances as of December 31, 2012, is as follows:

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Park Replacement	Ice Center	\$ 888,200
Nonmajor Governmental	Park Replacement	1,690,390
		<u>\$ 2,578,590</u>

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

Transfer Out:	Transfer In:			
	General	Improvement Projects	Infrastructure Replacement	Park Replacement
General	\$ -	\$ 305,323	\$ 2,368,734	\$ -
Transit System	18,635	-	-	-
Improvement Projects	43,169	-	9,851	-
Infrastructure Replacement	-	2,933,196	-	-
Park Replacement	-	-	-	-
Nonmajor Governmental Funds	-	421,014	-	726,736
Water Sewer Utility	141,210	2,757,733	-	-
Ice Center	11,939	-	-	-
Water Resources	17,388	110,771	-	-
Nonmajor Enterprise Funds	21,753	5,996	-	-
Internal Service Funds	51,000	25,000	-	-
Total	<u>\$ 305,094</u>	<u>\$ 6,559,033</u>	<u>\$ 2,378,585</u>	<u>\$ 726,736</u>

Transfer Out:	Transfer In:			
	Nonmajor Governmental Funds	Water Resources	Internal Service Funds	Total
General	\$ 13,650	\$ 2,885	\$ 338,374	\$ 3,028,966
Transit System	-	-	-	18,635
Improvement Projects	-	-	6,532	59,552
Infrastructure Replacement	-	-	-	2,933,196
Park Replacement	361,792	-	-	361,792
Nonmajor Governmental Funds	1,366,554	-	10,000	2,524,304
Water Sewer Utility	18,243	3,143	7,627	2,927,956
Ice Center	-	-	-	11,939
Water Resources	5,782	-	7,005	140,946
Nonmajor Enterprise Funds	243,160	-	-	270,909
Internal Service Funds	27,425	-	76,122	179,547
Total Transfers	<u>\$ 2,036,606</u>	<u>\$ 6,028</u>	<u>\$ 445,660</u>	<u>\$ 12,457,742</u>



**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

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**Note 7: CONTINGENCIES AND COMMITMENTS**

General Litigation

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

Tax Increment Districts

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

Conduit Debt Obligations

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

As of December 31, 2012, there were 21 series of Industrial Revenue, Housing Revenue, and Health Revenue Bonds outstanding with an aggregate principal amount payable of approximately \$79.7 million.

Encumbrances

The encumbrances summarized below have been reported as assigned fund balance within the General Fund as of December 31, 2012. The purchase orders remain open for future services related to active construction projects.

	<u>General</u>
Repair and maintenance (PO)	\$ 148,147
Supplies and services (PO)	<u>22,984</u>
Total	<u><u>\$ 171,131</u></u>

**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

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**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. The City joined together with other cities throughout Minnesota to form the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool currently operating as a common risk management and insurance program for member cities as this is more economically justifiable than obtaining insurance on its own.

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

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

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

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

	<u>2011</u>	<u>2012</u>
Liability at beginning of year	\$ 615,533	\$ 528,821
Incurred claims and changes in estimates	222,978	509,271
Claims paid	<u>(309,690)</u>	<u>(317,080)</u>
Liability at end of year	<u>\$ 528,821</u>	<u>\$ 721,012</u>

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

	<u>2011</u>	<u>2012</u>
Liability at beginning of year	\$ 18,081	\$ 17,534
Incurred claims and changes in estimates	216,004	252,567
Claims paid	<u>(216,551)</u>	<u>(213,652)</u>
Liability at end of year	<u>\$ 17,534</u>	<u>\$ 56,449</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 GERF 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 PERA's Coordinated Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate is 1.2% of average salary for each of the first 10 years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 1.7% for each year of service. For PEPFF members, the annuity accrual rate is 3.0% for each year of service. The annuity accrual rate is 1.9% for each year of service for PECF members. For all PEPFF members and 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](http://www.mnpera.org), by writing PERA at 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088, or by calling (651) 296-7460 or 1-800-652-9026.

**B. Funding Policy**

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. GERF Coordinated Plan members were required to contribute 6.25% of their annual covered salary in 2012. PEPFF members were required to contribute 9.6% of their annual covered salary in 2012. The City of Plymouth was required to contribute the following percentages of annual covered payroll: 7.25% for Coordinated Plan GERF members and 14.4% for PEPFF members. The City's contributions to the General Employees Retirement Fund for the years ended December 31, 2012, 2011, and 2010 were \$826,421, \$809,848, and \$840,817, respectively. The City's contributions to the Public Employees Police & Fire Fund for the years ended December 31, 2012, 2011, and 2010 were \$837,733, \$795,684, and \$810,372, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

**Note 9: RETIREMENT PLANS – CONTINUED**

**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, 2012 was \$3,744; 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, 2012**

**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. Schedule of Funding Progress**

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.

<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

The Schedule of Funding Progress immediately following the notes to basic financial statements presents multi-year trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

**Note 10: OTHER POSTEMPLOYMENT BENEFITS PLAN**

**A. Plan Description**

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

**B. Funding Policy**

The contribution requirements of plan members and the City are established by State Statutes and the City Council. Eligible retired city employees and beneficiaries contribute 100% of the group health insurance plan premium. For fiscal year 2012, the City contributed \$182,121.

**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	34,987
Adjustment to Annual Required Contribution	<u>(47,889)</u>
Annual OPEB Cost	349,860
Contributions made	<u>(182,121)</u>
Increase in Net OPEB Obligation	167,739
Net OPEB Obligation beginning of year	<u>777,489</u>
Net OPEB Obligation end of year	<u><u>\$ 945,228</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
2012	\$349,860	\$182,121	52.1%	\$945,228
2011	\$315,921	\$145,177	46.0%	\$777,489
2010	\$291,398	\$86,441	29.7%	\$606,745

**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, 2012 was 26 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, 2012**

**Note 11: FUND BALANCES**

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

**A. Classifications**

	Primary Government							Total
	Special Revenue			Capital Projects			Nonmajor Governmental Funds	
	General	Transit System	Community Development Block Grant	Improvement Projects	Infrastructure Replacement	Park Replacement		
<b>Nonspendable</b>								
Prepaid items	\$ 62,025	\$ 6,401	\$ -	\$ -	\$ -	\$ -	\$ 210	\$ 68,636
Cemetery Perpetual Care - Principal	-	-	-	-	-	-	45,500	45,500
Inventory	100	-	-	-	-	-	-	100
Total nonspendable	62,125	6,401	-	-	-	-	45,710	114,236
<b>Restricted</b>								
Transit	-	4,229,195	-	-	-	-	-	4,229,195
Lawful Gambling	-	-	-	-	-	-	13,180	13,180
Debt Service	-	-	-	-	-	-	8,191,604	8,191,604
Housing Projects	-	-	40,676	-	-	-	-	40,676
Highway/Street Improvements	-	-	-	-	-	-	2,237,637	2,237,637
Park Construction	-	-	-	-	-	-	2,579,061	2,579,061
Tax Increment	-	-	-	-	-	-	2,045,768	2,045,768
Cemetery Perpetual Care	-	-	-	-	-	-	137,882	137,882
Total restricted	-	4,229,195	40,676	-	-	-	15,205,132	19,475,003
<b>Assigned</b>								
Infrastructure Improvements	-	-	-	-	14,793,974	-	-	14,793,974
Recreation Programming	-	-	-	-	-	-	223,462	223,462
Park Improvements	-	-	-	-	-	4,469,706	-	4,469,706
Cemetery Maintenance	-	-	-	-	-	-	153,862	153,862
Other capital projects & improvements	446,841	-	-	8,030,274	-	-	13,982,666	22,459,781
Total assigned	446,841	-	-	8,030,274	14,793,974	4,469,706	14,359,990	42,100,785
<b>Unassigned</b>	11,813,623	-	-	-	-	-	-	11,813,623
<b>Total</b>	<b>\$ 12,322,589</b>	<b>\$ 4,235,596</b>	<b>\$ 40,676</b>	<b>\$ 8,030,274</b>	<b>\$ 14,793,974</b>	<b>\$ 4,469,706</b>	<b>\$ 29,610,832</b>	<b>\$ 73,503,647</b>

**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, 2012, 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, 2012**

**Plymouth Firefighters' Relief Association**  
**Schedule of Funding Progress \***

Actuarial Valuation Date	Actuarial Accrued Liability	Actuarial Value of Plan Assets	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Payroll
January 1, 2011	\$ 6,333,430	\$ 5,612,117	\$ 721,313	112.9%	N/A	N/A
January 1, 2010	6,275,254	5,372,606	902,648	116.8%	N/A	N/A
January 1, 2009	5,586,731	5,285,794	300,937	105.7%	N/A	N/A

\* Refer to Note 9 in the Notes to the basic financial statements for additional details regarding this Schedule of Funding Progress.

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

Actuarial Valuation Date	Actuarial Accrued Liability	Actuarial Value of Plan Assets	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Payroll
January 1, 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%

\*\* Refer to Note 10 in the Notes to the basic financial statement for additional details regarding this Schedule of Funding Progress.

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**NONMAJOR GOVERNMENTAL COMBINING  
AND INDIVIDUAL FUNDS**



**CITY OF PLYMOUTH, MINNESOTA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**DECEMBER 31, 2012**  
(with comparative totals for December 31, 2011)

	Special Revenue	Debt Service	Capital Project	Permanent Fund	Totals	
					2012	2011
<b>ASSETS</b>						
Cash and investments	\$ 685,635	\$ 3,169,489	\$ 19,802,791	\$ 182,824	\$ 23,840,739	\$ 23,519,478
Restricted cash and investments	-	5,003,429	-	-	5,003,429	-
Accounts receivable	16,581	-	-	-	16,581	13,443
Notes receivable	377,258	-	853,000	-	1,230,258	1,267,407
Taxes receivable	10,797	29,801	6,854	-	47,452	43,366
Special assessments receivable	-	78,341	73,459	-	151,800	228,573
Accrued interest receivable	36,722	9,289	107,615	558	154,184	152,098
Due from other funds	-	-	-	-	-	70,170
Due from other governments	2,868	-	-	-	2,868	-
Inventory	-	-	-	-	-	175
Prepaid items	210	-	-	-	210	-
Advances to other funds	-	-	1,690,390	-	1,690,390	1,874,948
<b>TOTAL ASSETS</b>	<b>\$ 1,130,071</b>	<b>\$ 8,290,349</b>	<b>\$ 22,534,109</b>	<b>\$ 183,382</b>	<b>\$ 32,137,911</b>	<b>\$ 27,169,658</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 10,579	\$ 3,419	\$ 202,552	\$ -	\$ 216,550	\$ 254,205
Contracts payable	-	-	32,973	-	32,973	30,745
Accrued salaries and benefits payable	16,086	-	-	-	16,086	12,268
Deposits payable	1,100	-	570,941	-	572,041	211,082
Due to other funds	-	-	-	-	-	70,170
Due to other governments	362	-	5,339	-	5,701	15,048
Deferred revenue	614,771	95,326	973,631	-	1,683,728	1,787,610
<b>Total liabilities</b>	<b>642,898</b>	<b>98,745</b>	<b>1,785,436</b>	<b>-</b>	<b>2,527,079</b>	<b>2,381,128</b>
Fund balances:						
Nonspendable	210	-	-	45,500	45,710	45,675
Restricted	13,180	8,191,604	6,862,466	137,882	15,205,132	10,580,224
Assigned	473,783	-	13,886,207	-	14,359,990	14,163,352
Unassigned	-	-	-	-	-	(721)
<b>Total fund balances</b>	<b>487,173</b>	<b>8,191,604</b>	<b>20,748,673</b>	<b>183,382</b>	<b>29,610,832</b>	<b>24,788,530</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,130,071</b>	<b>\$ 8,290,349</b>	<b>\$ 22,534,109</b>	<b>\$ 183,382</b>	<b>\$ 32,137,911</b>	<b>\$ 27,169,658</b>

**CITY OF PLYMOUTH, MINNESOTA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**YEAR ENDED DECEMBER 31, 2012**  
**(with comparative actual amounts for year ended December 31, 2011)**

	Special Revenue	Debt Service	Capital Project	Permanent Fund	Totals	
					2012	2011
<b>REVENUES:</b>						
General property taxes	\$ 560,234	\$ 2,073,866	\$ 1,081,131	\$ -	\$ 3,715,231	\$ 3,725,964
Special assessments	-	76,029	11,607	-	87,636	86,751
Intergovernmental	64	194	427,039	-	427,297	1,669,724
Charges for services	1,247,978	-	-	-	1,247,978	1,204,398
Contributions	13,289	-	862,400	-	875,689	1,471,987
Interest income	17,247	8,323	275,901	2,073	303,544	490,044
Loan repayments	7,149	-	-	-	7,149	6,951
Other revenues	3,128	-	52,255	-	55,383	77,177
Total revenues	<u>1,849,089</u>	<u>2,158,412</u>	<u>2,710,333</u>	<u>2,073</u>	<u>6,719,907</u>	<u>8,732,996</u>
<b>EXPENDITURES:</b>						
Current:						
Economic development	-	-	353,928	-	353,928	952,927
Parks and recreation	1,761,675	-	93,806	-	1,855,481	1,871,763
Public service	3,557	-	-	-	3,557	-
Public works	-	-	3,476	-	3,476	1,509
Interest on interfund advances	-	-	-	-	-	13,843
Debt service:						
Principal retirement	-	1,915,000	-	-	1,915,000	1,445,000
Interest and fiscal charges	-	649,659	-	-	649,659	651,984
Capital outlay	-	-	1,788,653	-	1,788,653	4,217,332
Total expenditures	<u>1,765,232</u>	<u>2,564,659</u>	<u>2,239,863</u>	<u>-</u>	<u>6,569,754</u>	<u>9,154,358</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>83,857</u>	<u>(406,247)</u>	<u>470,470</u>	<u>2,073</u>	<u>150,153</u>	<u>(421,362)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	13,342	127,670	1,895,594	-	2,036,606	4,419,992
Transfers out	(523,343)	(1,116)	(1,999,845)	-	(2,524,304)	(2,643,256)
General obligation refunding bonds issued	-	4,815,000	-	-	4,815,000	-
Premium on refunding bonds issued	-	344,847	-	-	344,847	-
Total other financing sources (uses)	<u>(510,001)</u>	<u>5,286,401</u>	<u>(104,251)</u>	<u>-</u>	<u>4,672,149</u>	<u>1,776,736</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(426,144)</u>	<u>4,880,154</u>	<u>366,219</u>	<u>2,073</u>	<u>4,822,302</u>	<u>1,355,374</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>913,317</u>	<u>3,311,450</u>	<u>20,382,454</u>	<u>181,309</u>	<u>24,788,530</u>	<u>23,433,156</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 487,173</u>	<u>\$ 8,191,604</u>	<u>\$20,748,673</u>	<u>\$ 183,382</u>	<u>\$29,610,832</u>	<u>\$24,788,530</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, 2012  
(with comparative totals for December 31, 2011)**

	<u>Recreation</u>	<u>Parkers Lake Cemetery Maintenance</u>	<u>Community Development</u>	<u>Economic Development</u>	<u>Lawful Gambling</u>
<b><u>ASSETS</u></b>					
Cash and investments	\$ 427,315	\$ 153,394	\$ 53,890	\$ 42,274	\$ 8,762
Accounts receivable	12,163	-	-	-	4,418
Notes receivable	-	-	225,000	152,258	-
Taxes receivable	10,797	-	-	-	-
Accrued interest receivable	2,857	468	33,268	129	-
Due from other governments	2,868	-	-	-	-
Inventory	-	-	-	-	-
Prepaid items	210	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 456,210</u></b>	<b><u>\$ 153,862</u></b>	<b><u>\$ 312,158</u></b>	<b><u>\$ 194,661</u></b>	<b><u>\$ 13,180</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
Liabilities:					
Accounts payable	\$ 10,579	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits payable	16,086	-	-	-	-
Deposits payable	1,100	-	-	-	-
Due to other governments	362	-	-	-	-
Deferred revenue	204,411	-	258,103	152,257	-
Total liabilities	<u>232,538</u>	<u>-</u>	<u>258,103</u>	<u>152,257</u>	<u>-</u>
Fund balances:					
Nonspendable	210	-	-	-	-
Restricted	-	-	-	-	13,180
Assigned	223,462	153,862	54,055	42,404	-
Total fund balances	<u>223,672</u>	<u>153,862</u>	<u>54,055</u>	<u>42,404</u>	<u>13,180</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 456,210</u></b>	<b><u>\$ 153,862</u></b>	<b><u>\$ 312,158</u></b>	<b><u>\$ 194,661</u></b>	<b><u>\$ 13,180</u></b>

<b>Totals</b>	
<b>2012</b>	<b>2011</b>
\$ 685,635	\$ 1,119,799
16,581	13,443
377,258	384,407
10,797	9,676
36,722	34,665
2,868	-
-	175
210	-
<u>\$ 1,130,071</u>	<u>\$ 1,562,165</u>

\$ 10,579	\$ 14,573
16,086	12,268
1,100	800
362	10,718
<u>614,771</u>	<u>610,489</u>
<u>642,898</u>	<u>648,848</u>

210	175
13,180	12,962
<u>473,783</u>	<u>900,180</u>
<u>487,173</u>	<u>913,317</u>

<u>\$ 1,130,071</u>	<u>\$ 1,562,165</u>
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**CITY OF PLYMOUTH, MINNESOTA**  
**SPECIAL REVENUE FUNDS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**YEAR ENDED DECEMBER 31, 2012**  
**(with comparative actual amounts for year ended December 31, 2011)**

	<u>Recreation</u>	<u>Parkers Lake Cemetery Maintenance</u>	<u>Community Development</u>	<u>Economic Development</u>	<u>Lawful Gambling</u>
<b>REVENUES:</b>					
General property taxes	\$ 560,234	\$ -	\$ -	\$ -	\$ -
Intergovernmental	64	-	-	-	-
Charges for services	1,247,798	180	-	-	-
Contributions	-	-	-	-	13,289
Interest income	9,437	1,759	611	5,168	272
Loan repayments	-	-	-	7,149	-
Other revenues	3,128	-	-	-	-
Total revenues	<u>1,820,661</u>	<u>1,939</u>	<u>611</u>	<u>12,317</u>	<u>13,561</u>
<b>EXPENDITURES:</b>					
Current:					
Parks and recreation	1,761,675	-	-	-	-
Public service	-	3,557	-	-	-
Total expenditures	<u>1,761,675</u>	<u>3,557</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>58,986</u>	<u>(1,618)</u>	<u>611</u>	<u>12,317</u>	<u>13,561</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	13,342	-	-	-	-
Transfers out	(510,000)	-	-	-	(13,343)
Total other financing sources (uses)	<u>(496,658)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,343)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(437,672)	(1,618)	611	12,317	218
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>661,344</u>	<u>155,480</u>	<u>53,444</u>	<u>30,087</u>	<u>12,962</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 223,672</u>	<u>\$ 153,862</u>	<u>\$ 54,055</u>	<u>\$ 42,404</u>	<u>\$ 13,180</u>

<b>Totals</b>	
<b>2012</b>	<b>2011</b>
\$ 560,234	\$ 614,624
64	-
1,247,978	1,204,398
13,289	11,687
17,247	22,414
7,149	6,951
3,128	3,156
<u>1,849,089</u>	<u>1,863,230</u>
1,761,675	1,728,971
3,557	-
<u>1,765,232</u>	<u>1,728,971</u>
<u>83,857</u>	<u>134,259</u>
13,342	11,763
(523,343)	(48,718)
<u>(510,001)</u>	<u>(36,955)</u>
(426,144)	97,304
<u>913,317</u>	<u>816,013</u>
<u>\$ 487,173</u>	<u>\$ 913,317</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, 2012  
(with comparative actual amounts for year ended December 31, 2011)**

	2012		2011	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
<b>REVENUES:</b>				
General property taxes	\$ 559,480	\$ 560,234	\$ 754	\$ 614,624
Intergovernmental	-	64	64	-
Charges for services	1,110,605	1,247,798	137,193	1,204,363
Interest income	2,000	9,437	7,437	13,118
Other revenues	1,300	3,128	1,828	3,156
Total revenues	<u>1,673,385</u>	<u>1,820,661</u>	<u>147,276</u>	<u>1,835,261</u>
<b>EXPENDITURES:</b>				
Current:				
Parks and recreation:				
Personal services	899,564	927,872	(28,308)	891,366
Materials and supplies	67,340	68,706	(1,366)	79,994
Contractual services	757,812	765,097	(7,285)	757,611
Total expenditures	<u>1,724,716</u>	<u>1,761,675</u>	<u>(36,959)</u>	<u>1,728,971</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(51,331)</u>	<u>58,986</u>	<u>110,317</u>	<u>106,290</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	51,331	13,342	(37,989)	11,763
Transfers out	-	(510,000)	(510,000)	(36,955)
Total other financing sources (uses)	<u>51,331</u>	<u>(496,658)</u>	<u>(547,989)</u>	<u>(25,192)</u>
NET CHANGE IN FUND BALANCE	-	(437,672)	(437,672)	81,098
FUND BALANCE AT BEGINNING OF YEAR	<u>661,344</u>	<u>661,344</u>	<u>-</u>	<u>580,246</u>
FUND BALANCE AT END OF YEAR	<u>\$ 661,344</u>	<u>\$ 223,672</u>	<u>\$ (437,672)</u>	<u>\$ 661,344</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, 2012**  
**(with comparative totals for December 31, 2011)**

	General Obligation Bonds	Tax Increment Bonds	Special Assessment Bonds	Totals	
				2012	2011
<b><u>ASSETS</u></b>					
Cash and investments	\$ 2,434,974	\$ 441,866	\$ 292,649	\$ 3,169,489	\$ 3,364,875
Restricted cash and investments	5,003,429	-	-	5,003,429	-
Taxes receivable	29,348	-	453	29,801	28,021
Special assessments receivable	-	-	78,341	78,341	154,380
Accrued interest receivable	7,438	960	891	9,289	11,443
Due from other funds	-	-	-	-	737
<b>TOTAL ASSETS</b>	<b>\$ 7,475,189</b>	<b>\$ 442,826</b>	<b>\$ 372,334</b>	<b>\$ 8,290,349</b>	<b>\$ 3,559,456</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
Liabilities:					
Accounts payable	\$ 1,865	\$ -	\$ 1,554	\$ 3,419	\$ 1,500
Due to other funds	-	-	-	-	69,433
Deferred revenue	16,944	-	78,382	95,326	177,073
<b>Total liabilities</b>	<b>18,809</b>	<b>-</b>	<b>79,936</b>	<b>98,745</b>	<b>248,006</b>
Fund balances:					
Restricted	7,456,380	442,826	292,398	8,191,604	3,311,450
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,475,189</b>	<b>\$ 442,826</b>	<b>\$ 372,334</b>	<b>\$ 8,290,349</b>	<b>\$ 3,559,456</b>

**CITY OF PLYMOUTH, MINNESOTA**  
**DEBT SERVICE FUNDS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**YEAR ENDED DECEMBER 31, 2012**  
**(with comparative actual amounts for year ended December 31, 2011)**

	General Obligation Bonds	Tax Increment Bonds	Special Assessment Bonds	Totals	
				2012	2011
REVENUES:					
General property taxes	\$ 1,713,687	\$ 360,179	\$ -	\$ 2,073,866	\$ 2,020,836
Special assessments	-	-	76,029	76,029	73,812
Intergovernmental	194	-	-	194	12,059
Interest income (loss)	(5,809)	804	13,328	8,323	61,835
Total revenues	<u>1,708,072</u>	<u>360,983</u>	<u>89,357</u>	<u>2,158,412</u>	<u>2,168,542</u>
EXPENDITURES:					
Debt service:					
Principal retirement	1,430,000	200,000	285,000	1,915,000	1,445,000
Interest and fiscal charges	506,987	122,658	20,014	649,659	651,984
Total expenditures	<u>1,936,987</u>	<u>322,658</u>	<u>305,014</u>	<u>2,564,659</u>	<u>2,096,984</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(228,915)</u>	<u>38,325</u>	<u>(215,657)</u>	<u>(406,247)</u>	<u>71,558</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	127,670	-	127,670	267,774
Transfers out	(1,116)	-	-	(1,116)	-
General obligation refunding bonds issued	4,815,000	-	-	4,815,000	-
Premium on refunding bonds issued	344,847	-	-	344,847	-
Total other financing sources	<u>5,158,731</u>	<u>127,670</u>	<u>-</u>	<u>5,286,401</u>	<u>267,774</u>
NET CHANGE IN FUND BALANCES	4,929,816	165,995	(215,657)	4,880,154	339,332
FUND BALANCES AT BEGINNING 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>
FUND BALANCES AT END OF YEAR	<u>\$ 7,456,380</u>	<u>\$ 442,826</u>	<u>\$ 292,398</u>	<u>\$ 8,191,604</u>	<u>\$ 3,311,450</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.

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



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**CITY OF PLYMOUTH, MINNESOTA  
CAPITAL PROJECT FUNDS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2012  
(with comparative totals for December 31, 2011)**

	<u>General Capital Projects</u>	<u>Minnesota State Aid</u>	<u>Community Improvement</u>	<u>Project Administration</u>	<u>Park Construction</u>
<b><u>ASSETS</u></b>					
Cash and investments	\$ 3,943,084	\$ 2,230,056	\$ 5,110,037	\$ 507,135	\$ 2,598,042
Notes receivable	-	-	-	-	17,000
Taxes receivable	-	-	-	-	-
Special assessments receivable	-	-	73,459	-	-
Accrued interest receivable	12,040	7,581	15,590	1,547	7,921
Due from other funds	-	-	-	-	-
Advances to other funds	-	-	1,690,390	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 3,955,124</u></b>	<b><u>\$ 2,237,637</u></b>	<b><u>\$ 6,889,476</u></b>	<b><u>\$ 508,682</u></b>	<b><u>\$ 2,622,963</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
Liabilities:					
Accounts payable	\$ 35,405	\$ -	\$ -	\$ -	\$ 26,902
Contracts payable	32,973	-	-	-	-
Deposits payable	570,941	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Deferred revenue	-	-	70,914	-	17,000
Total liabilities	<u>639,319</u>	<u>-</u>	<u>70,914</u>	<u>-</u>	<u>43,902</u>
Fund balances:					
Restricted	-	2,237,637	-	-	2,579,061
Assigned	3,315,805	-	6,818,562	508,682	-
Unassigned	-	-	-	-	-
Total fund balances	<u>3,315,805</u>	<u>2,237,637</u>	<u>6,818,562</u>	<u>508,682</u>	<u>2,579,061</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 3,955,124</u></b>	<b><u>\$ 2,237,637</u></b>	<b><u>\$ 6,889,476</u></b>	<b><u>\$ 508,682</u></b>	<b><u>\$ 2,622,963</u></b>



<b>Capital Improvement</b>	<b>Open Space</b>	<b>Tax Increment Projects</b>	<b>Totals</b>	
			<b>2012</b>	<b>2011</b>
\$ 3,230,141	\$ -	\$ 2,184,296	\$ 19,802,791	\$ 18,854,109
-	-	836,000	853,000	883,000
6,854	-	-	6,854	5,669
-	-	-	73,459	74,193
9,857	-	53,079	107,615	105,376
-	-	-	-	69,433
-	-	-	1,690,390	1,874,948
<u>\$ 3,246,852</u>	<u>\$ -</u>	<u>\$ 3,073,375</u>	<u>\$ 22,534,109</u>	<u>\$ 21,866,728</u>
\$ -	\$ -	\$ 140,245	\$ 202,552	\$ 238,132
-	-	-	32,973	30,745
-	-	-	570,941	210,282
-	-	-	-	737
-	-	5,339	5,339	4,330
3,694	-	882,023	973,631	1,000,048
<u>3,694</u>	<u>-</u>	<u>1,027,607</u>	<u>1,785,436</u>	<u>1,484,274</u>
-	-	2,045,768	6,862,466	7,120,003
3,243,158	-	-	13,886,207	13,263,172
-	-	-	-	(721)
<u>3,243,158</u>	<u>-</u>	<u>2,045,768</u>	<u>20,748,673</u>	<u>20,382,454</u>
<u>\$ 3,246,852</u>	<u>\$ -</u>	<u>\$ 3,073,375</u>	<u>\$ 22,534,109</u>	<u>\$ 21,866,728</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, 2012**  
**(with comparative actual amounts for year ended December 31, 2011)**

	<u>General Capital Projects</u>	<u>Minnesota State Aid</u>	<u>Community Improvement</u>	<u>Project Administration</u>	<u>Park Construction</u>
<b>REVENUES:</b>					
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	11,607	-	-
Intergovernmental	43,903	383,091	-	-	-
Contributions	-	-	-	-	862,400
Interest income (loss)	38,247	28,065	112,807	5,760	32,373
Other revenues	49,443	-	-	2,812	-
Total revenues	<u>131,593</u>	<u>411,156</u>	<u>124,414</u>	<u>8,572</u>	<u>894,773</u>
<b>EXPENDITURES:</b>					
Current:					
Economic development	-	-	-	-	-
Parks and recreation	82,454	-	-	-	11,352
Public works	-	-	-	383	-
Interest on interfund advances	-	-	-	-	-
Capital outlay	1,648,664	-	-	-	139,606
Total expenditures	<u>1,731,118</u>	<u>-</u>	<u>-</u>	<u>383</u>	<u>150,958</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,599,525)</u>	<u>411,156</u>	<u>124,414</u>	<u>8,189</u>	<u>743,815</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	1,891,910	-	-	-	2,567
Transfers out	(229,304)	(421,013)	-	-	(1,221,859)
Total other financing sources (uses)	<u>1,662,606</u>	<u>(421,013)</u>	<u>-</u>	<u>-</u>	<u>(1,219,292)</u>
<b>NET CHANGE IN FUND BALANCES</b>	63,081	(9,857)	124,414	8,189	(475,477)
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>3,252,724</u>	<u>2,247,494</u>	<u>6,694,148</u>	<u>500,493</u>	<u>3,054,538</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 3,315,805</u>	<u>\$ 2,237,637</u>	<u>\$ 6,818,562</u>	<u>\$ 508,682</u>	<u>\$ 2,579,061</u>

Capital Improvement	Open Space	Tax Increment Projects	Totals	
			2012	2011
\$ 391,960	\$ -	\$ 689,171	\$ 1,081,131	\$ 1,090,504
-	-	-	11,607	12,939
45	-	-	427,039	1,657,665
-	-	-	862,400	1,460,300
35,346	(13)	23,316	275,901	402,610
-	-	-	52,255	74,021
<u>427,351</u>	<u>(13)</u>	<u>712,487</u>	<u>2,710,333</u>	<u>4,698,039</u>
-	-	353,928	353,928	952,927
-	-	-	93,806	142,792
-	-	3,093	3,476	1,509
-	-	-	-	13,843
-	383	-	1,788,653	4,217,332
<u>-</u>	<u>383</u>	<u>357,021</u>	<u>2,239,863</u>	<u>5,328,403</u>
<u>427,351</u>	<u>(396)</u>	<u>355,466</u>	<u>470,470</u>	<u>(630,364)</u>
-	1,117	-	1,895,594	4,140,455
-	-	(127,669)	(1,999,845)	(2,594,538)
<u>-</u>	<u>1,117</u>	<u>(127,669)</u>	<u>(104,251)</u>	<u>1,545,917</u>
427,351	721	227,797	366,219	915,553
<u>2,815,807</u>	<u>(721)</u>	<u>1,817,971</u>	<u>20,382,454</u>	<u>19,466,901</u>
<u>\$ 3,243,158</u>	<u>\$ -</u>	<u>\$ 2,045,768</u>	<u>\$ 20,748,673</u>	<u>\$ 20,382,454</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, 2012 AND 2011**

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	<u>2012</u>	<u>2011</u>
<b><u>ASSETS</u></b>		
Cash and investments	\$ 182,824	\$ 180,695
Accrued interest receivable	558	614
<b>TOTAL ASSETS</b>	<b><u>\$ 183,382</u></b>	<b><u>\$ 181,309</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>		
Fund balance:		
Nonspendable	\$ 45,500	\$ 45,500
Restricted	137,882	135,809
Total fund balance	<b><u>\$ 183,382</u></b>	<b><u>\$ 181,309</u></b>

**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, 2012 AND 2011**

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	<u>2012</u>	<u>2011</u>
<b><u>REVENUES:</u></b>		
Interest income	\$ 2,073	\$ 3,185
NET CHANGE IN FUND BALANCE	2,073	3,185
FUND BALANCE AT BEGINNING OF YEAR	<u>181,309</u>	<u>178,124</u>
FUND BALANCE AT END OF YEAR	<u>\$ 183,382</u>	<u>\$ 181,309</u>





**GENERAL FUND  
COMPARATIVE INFORMATION**



**CITY OF PLYMOUTH, MINNESOTA  
GENERAL FUND  
COMPARATIVE BALANCE SHEET  
DECEMBER 31, 2012 AND 2011**

	<u>Totals</u>	
	<u>2012</u>	<u>2011</u>
<b><u>ASSETS</u></b>		
Cash and investments	\$ 14,304,170	\$ 13,276,749
Accounts receivable	65,044	66,456
Taxes receivable	424,032	347,334
Special assessments receivable	12,904	9,827
Accrued interest receivable	51,491	54,107
Due from other funds	-	20,000
Due from other governments	95,166	163,715
Inventory	100	-
Prepaid items	62,025	9,755
<b>TOTAL ASSETS</b>	<b><u>\$ 15,014,932</u></b>	<b><u>\$ 13,947,943</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>		
Liabilities:		
Accounts payable	\$ 514,775	\$ 388,311
Accrued salaries and benefits payable	391,413	336,096
Deposits payable	1,101,074	514,877
Due to other governments	38,580	55,023
Deferred revenue	646,501	645,674
Total liabilities	<u>2,692,343</u>	<u>1,939,981</u>
Fund balances:		
Nonspendable	62,125	9,755
Assigned	446,841	633,548
Unassigned	11,813,623	11,364,659
Total fund balance	<u>12,322,589</u>	<u>12,007,962</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 15,014,932</u></b>	<b><u>\$ 13,947,943</u></b>

**CITY OF PLYMOUTH, MINNESOTA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND TRANSFERS - BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2012**  
(with comparative actual amounts for year ended December 31, 2011)

	2012		2011	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
REVENUES:				
Property taxes	\$ 22,671,000	\$ 22,779,828	\$ 108,828	\$ 22,216,346
Special assessments	2,600	5,231	2,631	22,277
Licenses and permits:				
Nonbusiness	2,296,000	3,420,117	1,124,117	2,725,675
Business	345,230	383,499	38,269	355,748
Total licenses and permits	2,641,230	3,803,616	1,162,386	3,081,423
Intergovernmental:				
State grants and aids	1,564,970	1,559,707	(5,263)	1,315,920
Federal grants	86,400	160,732	74,332	125,987
Other	367,208	377,523	10,315	396,317
Total intergovernmental	2,018,578	2,097,962	79,384	1,838,224
Charges for services	1,572,170	1,966,354	394,184	2,365,808
Fines and forfeitures	775,500	847,244	71,744	877,689
Contributions	700	21,118	20,418	4,072
Interest income	20,000	113,762	93,762	207,415
Other revenues	51,200	142,026	90,826	149,515
Total revenues	29,752,978	31,777,141	2,024,163	30,762,769
OTHER FINANCING SOURCES:				
Transfers from other funds:				
Field House	3,824	3,824	-	3,824
Ice Center	11,939	11,939	-	11,939
Improvement Project Construction	-	43,169	43,169	-
Resource Planning	56,000	51,000	(5,000)	-
Solid Waste	17,929	17,929	-	17,929
Transit	18,635	18,635	-	18,635
Water Sewer Utility	141,210	141,210	-	175,710
Water Resources	17,388	17,388	-	17,388
Total other financing sources	266,925	305,094	38,169	245,425
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 30,019,903	\$ 32,082,235	\$ 2,062,332	\$ 31,008,194

**CITY OF PLYMOUTH, MINNESOTA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2012  
(with comparative actual amounts for year ended December 31, 2011)**

	2012			2011
	Original and Final Budget	Actual	Variance with Final Budget	Actual
<b>GENERAL GOVERNMENT:</b>				
Legislative:				
Personal services	\$ 279,385	\$ 321,774	\$ (42,389)	\$ 392,246
Materials and supplies	8,600	3,395	5,205	13,430
Contractual services	673,921	855,172	(181,251)	702,459
Other	286,104	148,925	137,179	111,919
Total legislative	<u>1,248,010</u>	<u>1,329,266</u>	<u>(81,256)</u>	<u>1,220,054</u>
Administration:				
Personal services	1,673,407	1,555,817	117,590	1,397,341
Materials and supplies	14,900	18,086	(3,186)	6,864
Contractual services	750,420	739,616	10,804	432,930
Capital outlay	-	53,470	(53,470)	-
Other	2,650	10,723	(8,073)	3,372
Total administration	<u>2,441,377</u>	<u>2,377,712</u>	<u>63,665</u>	<u>1,840,507</u>
Community development:				
Personal services	799,828	804,646	(4,818)	844,657
Materials and supplies	6,000	5,053	947	4,068
Contractual services	172,304	163,419	8,885	267,757
Total community development	<u>978,132</u>	<u>973,118</u>	<u>5,014</u>	<u>1,116,482</u>
Total general government	<u>4,667,519</u>	<u>4,680,096</u>	<u>(12,577)</u>	<u>4,177,043</u>
<b>PARKS AND RECREATION:</b>				
Personal services	2,752,198	2,592,976	159,222	2,534,440
Materials and supplies	338,362	375,108	(36,746)	328,503
Contractual services	1,940,609	1,971,557	(30,948)	1,954,699
Capital outlay	13,000	10,576	2,424	6,625
Other	13,800	19,942	(6,142)	15,868
Total parks and recreation	<u>5,057,969</u>	<u>4,970,159</u>	<u>87,810</u>	<u>4,840,135</u>
<b>PUBLIC SAFETY:</b>				
Police:				
Personal services	8,359,732	8,018,605	341,127	7,901,444
Materials and supplies	172,400	133,861	38,539	152,550
Contractual services	1,950,051	1,994,423	(44,372)	1,611,601
Capital outlay	700	-	700	-
Other	95,000	71,495	23,505	75,965
Total police	<u>10,577,883</u>	<u>10,218,384</u>	<u>359,499</u>	<u>9,741,560</u>
Fire:				
Personal services	1,205,481	1,233,169	(27,688)	1,125,935
Materials and supplies	151,200	102,794	48,406	121,652
Contractual services	1,075,955	1,029,983	45,972	942,914
Capital outlay	-	34,984	(34,984)	4,823
Other	315,000	314,526	474	305,876
Total fire	<u>2,747,636</u>	<u>2,715,456</u>	<u>32,180</u>	<u>2,501,200</u>
Civil defense:				
Personal services	-	-	-	2,688
Materials and supplies	6,100	1,499	4,601	835
Contractual services	39,302	22,577	16,725	23,932
Total civil defense	<u>45,402</u>	<u>24,076</u>	<u>21,326</u>	<u>27,455</u>

(Continued...)

**CITY OF PLYMOUTH, MINNESOTA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2012  
(with comparative actual amounts for year ended December 31, 2011)**

(Continued from previous page)

	2012		Variance with Final Budget	2011
	Original and Final Budget	Actual		Actual
Protective inspections				
Personal services	1,182,033	1,053,228	128,805	1,046,887
Materials and supplies	6,100	3,449	2,651	4,447
Contractual services	180,928	186,714	(5,786)	158,359
Other	25,000	6,680	18,320	2,921
Total protective inspections	<u>1,394,061</u>	<u>1,250,071</u>	<u>143,990</u>	<u>1,212,614</u>
Total public safety	<u>14,764,982</u>	<u>14,207,987</u>	<u>556,995</u>	<u>13,482,829</u>
<b>PUBLIC WORKS:</b>				
Engineering:				
Personal services	896,573	845,376	51,197	896,013
Materials and supplies	8,450	1,802	6,648	1,918
Contractual services	241,825	218,460	23,365	234,097
Total engineering	<u>1,146,848</u>	<u>1,065,638</u>	<u>81,210</u>	<u>1,132,028</u>
Streets:				
Personal services	1,010,963	988,890	22,073	984,576
Materials and supplies	860,190	828,604	31,586	731,301
Contractual services	2,365,702	1,986,435	379,267	2,203,680
Capital outlay	11,100	10,823	277	-
Other	5,130	10	5,120	4,357
Total streets	<u>4,253,085</u>	<u>3,814,762</u>	<u>438,323</u>	<u>3,923,914</u>
Total public works	<u>5,399,933</u>	<u>4,880,400</u>	<u>519,533</u>	<u>5,055,942</u>
Total expenditures	<u>29,890,403</u>	<u>28,738,642</u>	<u>1,151,761</u>	<u>27,555,949</u>
<b>OTHER FINANCING USES:</b>				
Transfers to other funds:				
Improvement Project Construction	-	305,324	(305,324)	-
Information Technology	-	2,520	(2,520)	-
General Capital Projects	-	13,650	(13,650)	-
Infrastructure Replacement	-	2,368,734	(2,368,734)	2,545,765
Water Resources	-	2,885	(2,885)	-
Park Replacement	-	-	-	86,300
Public Facilities	-	56,353	(56,353)	-
Resource Planning	129,500	279,500	(150,000)	181,000
Risk Management	-	-	-	467,664
Total other financing uses	<u>129,500</u>	<u>3,028,966</u>	<u>(2,899,466)</u>	<u>3,280,729</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 30,019,903</u>	<u>\$ 31,767,608</u>	<u>\$ (1,747,705)</u>	<u>\$ 30,836,678</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 POSITION**  
**DECEMBER 31, 2012**  
**(with comparative totals for December 31, 2011)**

	Solid Waste Management	Field House	Totals	
			2012	2011
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 2,715,685	\$ 1,199,615	\$ 3,915,300	\$ 4,044,772
Accounts receivable	55	24,670	24,725	36,077
Accrued interest receivable	8,286	3,659	11,945	13,870
Due from other governments	-	-	-	300
Prepaid items	150	-	150	-
Total current assets	<u>2,724,176</u>	<u>1,227,944</u>	<u>3,952,120</u>	<u>4,095,019</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	-	(1,297,480)	(1,297,480)	(1,273,384)
Net capital assets	-	533,956	533,956	558,052
<b>TOTAL ASSETS</b>	<u><u>\$ 2,724,176</u></u>	<u><u>\$ 1,761,900</u></u>	<u><u>\$ 4,486,076</u></u>	<u><u>\$ 4,653,071</u></u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 64,502	\$ 19,353	\$ 83,855	\$ 65,188
Accrued salaries and benefits payable	1,344	2,731	4,075	4,770
Due to other governments	2	1,782	1,784	-
Unearned revenue	-	71,872	71,872	64,522
Total liabilities	<u>65,848</u>	<u>95,738</u>	<u>161,586</u>	<u>134,480</u>
<b>NET POSITION</b>				
Net investment in capital assets	-	533,956	533,956	558,052
Unrestricted	2,658,328	1,132,206	3,790,534	3,960,539
Total net position	<u>2,658,328</u>	<u>1,666,162</u>	<u>4,324,490</u>	<u>4,518,591</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 2,724,176</u></u>	<u><u>\$ 1,761,900</u></u>	<u><u>\$ 4,486,076</u></u>	<u><u>\$ 4,653,071</u></u>

**CITY OF PLYMOUTH, MINNESOTA**  
**ENTERPRISE FUNDS**  
**NONMAJOR PROPRIETARY FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED DECEMBER 31, 2012**  
**(with comparative totals for year ended December 31, 2011)**

	<b>Solid Waste Management</b>	<b>Field House</b>	<b>Totals</b>	
			<b>2012</b>	<b>2011</b>
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 419,601	\$ 329,119	\$ 748,720	\$ 757,204
Other fees	212,650	5,871	218,521	531,466
Total operating revenue	<u>632,251</u>	<u>334,990</u>	<u>967,241</u>	<u>1,288,670</u>
<b>OPERATING EXPENSES:</b>				
Personal services	105,930	106,479	212,409	244,811
Materials and supplies	14,830	6,826	21,656	33,905
Contractual services	781,718	98,086	879,804	972,802
Depreciation	-	24,096	24,096	35,766
Total operating expenses	<u>902,478</u>	<u>235,487</u>	<u>1,137,965</u>	<u>1,287,284</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(270,227)</u>	<u>99,503</u>	<u>(170,724)</u>	<u>1,386</u>
<b>NONOPERATING REVENUES:</b>				
Interest income	30,193	14,934	45,127	69,772
Intergovernmental	202,405	-	202,405	194,186
Total nonoperating revenues	<u>232,598</u>	<u>14,934</u>	<u>247,532</u>	<u>263,958</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>(37,629)</u>	<u>114,437</u>	<u>76,808</u>	<u>265,344</u>
<b>TRANSFERS OUT</b>	<u>(17,929)</u>	<u>(252,980)</u>	<u>(270,909)</u>	<u>(29,262)</u>
<b>CHANGES IN NET POSITION</b>	<u>(55,558)</u>	<u>(138,543)</u>	<u>(194,101)</u>	<u>236,082</u>
<b>NET POSITION AT BEGINNING OF YEAR</b>	<u>2,713,886</u>	<u>1,804,705</u>	<u>4,518,591</u>	<u>4,282,509</u>
<b>NET POSITION AT END OF YEAR</b>	<u>\$ 2,658,328</u>	<u>\$ 1,666,162</u>	<u>\$ 4,324,490</u>	<u>\$ 4,518,591</u>

**CITY OF PLYMOUTH, MINNESOTA**  
**ENTERPRISE FUNDS**  
**NONMAJOR PROPRIETARY FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2012**  
**(with comparative totals for year ended December 31, 2011)**

	Solid Waste Management	Field House	Totals	
			2012	2011
<b>CASH FLOWS FROM</b>				
<b>OPERATING ACTIVITIES:</b>				
Receipts from customers or users	\$ 632,196	\$ 353,747	\$ 985,943	\$ 1,287,887
Payments to suppliers	(786,127)	(95,032)	(881,159)	(979,146)
Payments to employees	(107,046)	(106,058)	(213,104)	(244,671)
Net cash flows from operating activities	(260,977)	152,657	(108,320)	64,070
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Intergovernmental revenues	202,705	-	202,705	197,276
Transfers out to other funds	(17,929)	(252,980)	(270,909)	(29,262)
Net cash flows from noncapital financing activities	184,776	(252,980)	(68,204)	168,014
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest income	31,289	15,763	47,052	61,657
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(44,912)	(84,560)	(129,472)	293,741
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	2,760,597	1,284,175	4,044,772	3,751,031
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	\$ 2,715,685	\$ 1,199,615	\$ 3,915,300	\$ 4,044,772
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ (270,227)	\$ 99,503	\$ (170,724)	\$ 1,386
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	-	24,096	24,096	35,766
Changes in assets and liabilities:				
Accounts receivable	(55)	11,407	11,352	1,307
Prepaid expenses	(150)	-	(150)	-
Accounts payable	10,569	8,098	18,667	27,568
Due to other governments	2	1,782	1,784	(7)
Accrued salaries payable	(1,116)	421	(695)	140
Unearned revenue	-	7,350	7,350	(2,090)
Total adjustments	9,250	53,154	62,404	62,684
Net cash flows from operating activities	\$ (260,977)	\$ 152,657	\$ (108,320)	\$ 64,070

**CITY OF PLYMOUTH, MINNESOTA**  
**INTERNAL SERVICE FUNDS**  
**PROPRIETARY FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**DECEMBER 31, 2012**  
**(with comparative totals for December 31, 2011)**

	<u>Central Equipment</u>	<u>Public Facilities</u>	<u>Information Technology</u>	<u>Risk Management</u>
<b><u>ASSETS</u></b>				
Current assets:				
Cash and investments	\$ 6,119,777	\$ 4,432,962	\$ 5,541,434	\$ 6,457,179
Accounts receivable	-	-	-	-
Accrued interest receivable	18,706	13,353	16,908	19,646
Due from other governments	8,058	-	3,416	-
Inventory	133,382	-	-	-
Prepaid items	283	764	185,759	5,000
Total current assets	<u>6,280,206</u>	<u>4,447,079</u>	<u>5,747,517</u>	<u>6,481,825</u>
Noncurrent assets:				
Capital assets:				
Land	33,520	-	-	-
Buildings	-	129,967	-	-
Improvements other than buildings	-	85,849	450,876	-
Machinery and equipment	14,816,032	333,932	2,424,177	-
Construction in progress	-	396,756	-	-
Total capital assets	<u>14,849,552</u>	<u>946,504</u>	<u>2,875,053</u>	<u>-</u>
Less accumulated depreciation	<u>(9,051,621)</u>	<u>(62,989)</u>	<u>(2,128,070)</u>	<u>-</u>
Net capital assets	<u>5,797,931</u>	<u>883,515</u>	<u>746,983</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>\$ 12,078,137</u>	<u>\$ 5,330,594</u>	<u>\$ 6,494,500</u>	<u>\$ 6,481,825</u>
<b><u>LIABILITIES</u></b>				
Current liabilities:				
Accounts payable	\$ 162,021	\$ 58,616	\$ 311,849	\$ 739,177
Contracts Payable	-	137,431	-	-
Accrued salaries and benefits payable	8,102	3,385	14,082	2,093
Compensated absences payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	3,587	112	2,951	-
Unearned revenue	-	-	-	-
Total current liabilities	<u>173,710</u>	<u>199,544</u>	<u>328,882</u>	<u>741,270</u>
Noncurrent liabilities:				
OPEB (net)	-	-	-	-
Compensated absences payable	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>173,710</u>	<u>199,544</u>	<u>328,882</u>	<u>741,270</u>
<b><u>NET POSITION</u></b>				
Net investment in capital assets	5,797,931	883,515	746,983	-
Unrestricted	6,106,496	4,247,535	5,418,635	5,740,555
Total net position	<u>11,904,427</u>	<u>5,131,050</u>	<u>6,165,618</u>	<u>5,740,555</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 12,078,137</u>	<u>\$ 5,330,594</u>	<u>\$ 6,494,500</u>	<u>\$ 6,481,825</u>

Employee Benefits	Resource Planning	Totals	
		2012	2011
\$ 4,544,892	\$ 1,855,010	\$ 28,951,254	\$ 27,809,942
-	-	-	2,863
13,715	5,196	87,524	94,359
-	-	11,474	5,395
-	-	133,382	136,919
-	-	191,806	199,588
<u>4,558,607</u>	<u>1,860,206</u>	<u>29,375,440</u>	<u>28,249,066</u>
-	-	33,520	33,520
-	-	129,967	129,967
-	-	536,725	489,987
-	-	17,574,141	16,645,955
-	-	396,756	11,790
-	-	18,671,109	17,311,219
-	-	(11,242,680)	(10,934,556)
-	-	7,428,429	6,376,663
<u>\$ 4,558,607</u>	<u>\$ 1,860,206</u>	<u>\$ 36,803,869</u>	<u>\$ 34,625,729</u>
\$ 61,303	\$ 14,324	\$ 1,347,290	\$ 751,617
-	-	137,431	-
29,413	-	57,075	161,782
1,621,802	-	1,621,802	1,594,752
-	-	-	20,000
1,282	-	7,932	140,558
-	996	996	350
<u>1,713,800</u>	<u>15,320</u>	<u>3,172,526</u>	<u>2,669,059</u>
945,228	-	945,228	777,489
764,737	-	764,737	763,393
<u>1,709,965</u>	<u>-</u>	<u>1,709,965</u>	<u>1,540,882</u>
<u>3,423,765</u>	<u>15,320</u>	<u>4,882,491</u>	<u>4,209,941</u>
-	-	7,428,429	6,376,663
1,134,842	1,844,886	24,492,949	24,039,125
<u>1,134,842</u>	<u>1,844,886</u>	<u>31,921,378</u>	<u>30,415,788</u>
<u>\$ 4,558,607</u>	<u>\$ 1,860,206</u>	<u>\$ 36,803,869</u>	<u>\$ 34,625,729</u>

**CITY OF PLYMOUTH, MINNESOTA**  
**INTERNAL SERVICE FUNDS**  
**PROPRIETARY FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED DECEMBER 31, 2012**  
**(with comparative totals for year ended December 31, 2011)**

	<u>Central Equipment</u>	<u>Public Facilities</u>	<u>Information Technology</u>	<u>Risk Management</u>
OPERATING REVENUES:				
Charges for services	\$ 2,570,958	\$ 1,546,721	\$ 1,835,803	\$ -
Other	-	-	-	1,210,373
Total operating revenue	<u>2,570,958</u>	<u>1,546,721</u>	<u>1,835,803</u>	<u>1,210,373</u>
OPERATING EXPENSES:				
Personal services	331,107	128,550	589,930	121,393
Materials and supplies	802,134	68,065	131,274	65
Contractual services	294,800	692,433	726,376	1,009,635
Depreciation	1,053,807	21,471	240,271	-
Total operating expenses	<u>2,481,848</u>	<u>910,519</u>	<u>1,687,851</u>	<u>1,131,093</u>
OPERATING INCOME (LOSS)	<u>89,110</u>	<u>636,202</u>	<u>147,952</u>	<u>79,280</u>
NONOPERATING REVENUES (EXPENSES):				
Interest income	68,739	50,772	61,683	71,132
Intergovernmental	-	-	3,416	-
Gain (loss) on disposal of capital assets	125,666	-	6,893	-
Other	3,500	661	160	-
Total nonoperating revenues	<u>197,905</u>	<u>51,433</u>	<u>72,152</u>	<u>71,132</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	287,015	687,635	220,104	150,412
CAPITAL CONTRIBUTIONS	21,400	-	7,400	-
TRANSFERS IN	33,147	56,353	66,660	-
TRANSFERS OUT	-	(38,975)	-	(18,485)
CHANGES IN NET POSITION	341,562	705,013	294,164	131,927
NET POSITION AT BEGINNING OF YEAR	<u>11,562,865</u>	<u>4,426,037</u>	<u>5,871,454</u>	<u>5,608,628</u>
NET POSITION AT END OF YEAR	<u>\$ 11,904,427</u>	<u>\$ 5,131,050</u>	<u>\$ 6,165,618</u>	<u>\$ 5,740,555</u>

Employee Benefits	Resource Planning	Totals	
		2012	2011
\$ 2,475,566	\$ 21,686	\$ 8,450,734	\$ 8,735,623
-	-	1,210,373	282,884
<u>2,475,566</u>	<u>21,686</u>	<u>9,661,107</u>	<u>9,018,507</u>
2,684,346	-	3,855,326	3,987,672
-	104,206	1,105,744	957,805
-	24,582	2,747,826	2,553,432
-	-	1,315,549	1,325,704
<u>2,684,346</u>	<u>128,788</u>	<u>9,024,445</u>	<u>8,824,613</u>
(208,780)	(107,102)	636,662	193,894
54,223	19,419	325,968	485,129
-	4,422	7,838	27,705
-	-	132,559	97,535
128	21,450	25,899	21,722
<u>54,351</u>	<u>45,291</u>	<u>492,264</u>	<u>632,091</u>
(154,429)	(61,811)	1,128,926	825,985
-	81,751	110,551	85,435
-	289,500	445,660	868,888
-	(122,087)	(179,547)	(369,870)
(154,429)	187,353	1,505,590	1,410,438
<u>1,289,271</u>	<u>1,657,533</u>	<u>30,415,788</u>	<u>29,005,350</u>
<u>\$ 1,134,842</u>	<u>\$ 1,844,886</u>	<u>\$ 31,921,378</u>	<u>\$ 30,415,788</u>

**CITY OF PLYMOUTH, MINNESOTA**  
**INTERNAL SERVICE FUNDS**  
**PROPRIETARY FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2012**  
**(with comparative totals for year ended December 31, 2011)**

	<u>Central Equipment</u>	<u>Public Facilities</u>	<u>Information Technology</u>	<u>Risk Management</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers or users	\$ 2,568,295	\$ 1,546,721	\$ 1,832,387	\$ -
Payments to suppliers	(1,008,682)	(619,485)	(779,987)	(810,260)
Payments to employees	(328,764)	(128,465)	(594,344)	(122,659)
Other operating revenue	3,500	661	160	1,210,373
Net cash flows from operating activities	<u>1,234,349</u>	<u>799,432</u>	<u>458,216</u>	<u>277,454</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Intergovernmental revenues	-	-	3,416	-
Transfers in from other funds	33,147	56,353	66,660	-
Transfers out to other funds	-	(38,975)	-	(18,485)
Net cash flows from noncapital financing activities	<u>33,147</u>	<u>17,378</u>	<u>70,076</u>	<u>(18,485)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition and construction of capital assets	(1,475,449)	(491,636)	(424,353)	-
Contributions	21,400	-	7,400	-
Proceeds from sale of capital assets	147,568	-	9,113	-
Net cash flows from capital and related financing activities	<u>(1,306,481)</u>	<u>(491,636)</u>	<u>(407,840)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment earnings	70,725	51,206	62,986	72,296
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>31,740</b>	<b>376,380</b>	<b>183,438</b>	<b>331,265</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u><b>6,088,037</b></u>	<u><b>4,056,582</b></u>	<u><b>5,357,996</b></u>	<u><b>6,125,914</b></u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u><b>\$ 6,119,777</b></u></u>	<u><u><b>\$ 4,432,962</b></u></u>	<u><u><b>\$ 5,541,434</b></u></u>	<u><u><b>\$ 6,457,179</b></u></u>

(Continued...)



Employee Benefits	Resource Planning	Totals	
		2012	2011
\$ 2,475,566	\$ 22,332	\$ 8,445,301	\$ 8,792,045
93,024	(116,383)	(3,241,773)	(3,711,309)
(2,606,805)	-	(3,781,037)	(3,803,219)
128	21,450	1,236,272	304,606
<u>(38,087)</u>	<u>(72,601)</u>	<u>2,658,763</u>	<u>1,582,123</u>
-	4,422	7,838	27,705
-	289,500	445,660	868,888
-	(122,087)	(179,547)	(369,870)
<u>-</u>	<u>171,835</u>	<u>273,951</u>	<u>526,723</u>
-	-	(2,391,438)	(603,836)
-	81,751	110,551	73,986
-	-	156,681	98,692
<u>-</u>	<u>81,751</u>	<u>(2,124,206)</u>	<u>(431,158)</u>
<u>55,756</u>	<u>19,835</u>	<u>332,804</u>	<u>429,961</u>
17,669	200,820	1,141,312	2,107,649
<u>4,527,223</u>	<u>1,654,190</u>	<u>27,809,942</u>	<u>25,702,293</u>
<u>\$ 4,544,892</u>	<u>\$ 1,855,010</u>	<u>\$ 28,951,254</u>	<u>\$ 27,809,942</u>

**CITY OF PLYMOUTH, MINNESOTA**  
**INTERNAL SERVICE FUNDS**  
**PROPRIETARY FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2012**  
**(with comparative totals for year ended December 31, 2011)**

(Continued from previous page)

	<u>Central Equipment</u>	<u>Public Facilities</u>	<u>Information Technology</u>	<u>Risk Management</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	\$ 89,110	\$ 636,202	\$ 147,952	\$ 79,280
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	1,053,807	21,471	240,271	-
Other revenues	3,500	661	160	-
Changes in assets and liabilities:				
Accounts receivable	-	-	-	-
Due from other governments	(2,663)	-	(3,416)	-
Inventory	3,537	-	-	-
Prepaid expenses	(283)	4,909	(185,759)	-
Accounts payable	82,910	135,992	260,741	199,440
Due to other funds	-	-	-	-
Due to other governments	2,088	112	2,681	-
Accrued salaries payable	2,343	85	(4,414)	(1,266)
OPEB	-	-	-	-
Compensated absences payable	-	-	-	-
Unearned revenue	-	-	-	-
Total adjustments	<u>1,145,239</u>	<u>163,230</u>	<u>310,264</u>	<u>198,174</u>
Net cash flows from operating activities	<u>\$ 1,234,349</u>	<u>\$ 799,432</u>	<u>\$ 458,216</u>	<u>\$ 277,454</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
Contributions of capital assets from other City funds	21,400	-	-	-
Contribution of capital asset from others	-	-	7,400	-
Trade-in values on capital asset purchases	51,500	-	-	-
Transfer of capital assets to other City funds	-	-	-	-
Increase (decrease) in capital assets from accounts and contracts payable	-	137,431	-	-

<b>Employee Benefits</b>	<b>Resource Planning</b>	<b>Totals</b>	
		<b>2012</b>	<b>2011</b>
<u>\$ (208,780)</u>	<u>\$ (107,102)</u>	<u>\$ 636,662</u>	<u>\$ 193,894</u>
-	-	1,315,549	1,325,704
128	21,450	25,899	21,722
2,863	-	2,863	122,114
-	-	(6,079)	3,781
-	-	3,537	(16,068)
188,915	-	7,782	(196,511)
41,616	12,405	733,104	(126,030)
(20,000)	-	(20,000)	20,000
(137,507)	-	(132,626)	138,537
(101,455)	-	(104,707)	(8,676)
167,739	-	167,739	170,744
28,394	-	28,394	(66,913)
-	646	646	(175)
<u>170,693</u>	<u>34,501</u>	<u>2,022,101</u>	<u>1,388,229</u>
<u>\$ (38,087)</u>	<u>\$ (72,601)</u>	<u>\$ 2,658,763</u>	<u>\$ 1,582,123</u>

-	-	21,400	-
-	-	7,400	11,449
-	-	51,500	-
-	(11,845)	(11,845)	-
-	-	137,431	(27,768)

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# COMPONENT UNIT FINANCIAL STATEMENTS

## **HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH (HRA)**

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

### **GOVERNMENTAL FUNDS**

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

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

### **PROPRIETARY FUNDS**

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

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



**HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2012**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 2,405,137	\$ 2,219,185	\$ 4,624,322
Restricted cash and investments	-	9,811,588	9,811,588
Accounts receivable	30,898	5,735	36,633
Notes receivable	1,172,690	-	1,172,690
Taxes receivable	9,601	-	9,601
Accrued interest receivable	83,290	4,671	87,961
Prepaid items	242,909	33,575	276,484
Capital assets:			
Nondepreciable:			
Land	-	1,333,840	1,333,840
Depreciable (net):			
Buildings	162,518	10,263,767	10,426,285
Improvements other than buildings	-	211,262	211,262
Machinery and equipment	-	312,493	312,493
<b>TOTAL ASSETS</b>	<b><u>\$ 4,107,043</u></b>	<b><u>\$ 24,196,116</u></b>	<b><u>\$ 28,303,159</u></b>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 419	\$ 26,846	\$ 27,265
Accrued salaries and benefits payable	9,445	13,550	22,995
Deposits payable	20,000	106,016	126,016
Due to other governments	-	88,019	88,019
Accrued interest payable	-	388,824	388,824
Noncurrent liabilities:			
Due within one year	-	430,000	430,000
Due in more than one year	-	22,702,846	22,702,846
Total liabilities	<u>29,864</u>	<u>23,756,101</u>	<u>23,785,965</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	162,518	(1,199,896)	(1,037,378)
Restricted for:			
Debt Service	-	435,958	435,958
Housing projects	3,914,661	-	3,914,661
Unrestricted	-	1,203,953	1,203,953
Total net position	<u>4,077,179</u>	<u>440,015</u>	<u>4,517,194</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b><u>\$ 4,107,043</u></b>	<b><u>\$ 24,196,116</u></b>	<b><u>\$ 28,303,159</u></b>

**HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2012**

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Public service	\$ 3,446,527	\$ -	\$ 2,965,315	\$ -
Business-type activities:				
Plymouth Towne Square	994,289	679,704	-	-
Vicksburg Crossing	1,540,306	1,140,126	-	-
Total business-type activities	2,534,595	1,819,830	-	-
Total HRA government	\$ 5,981,122	\$ 1,819,830	\$ 2,965,315	\$ -

GENERAL REVENUES:

Property taxes  
Unrestricted interest income  
Other

TRANSFERS

Total general revenues

CHANGE IN NET POSITION

NET POSITION - BEGINNING

NET POSITION - ENDING



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

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (481,212)	\$ -	\$ (481,212)
-	(314,585)	(314,585)
-	(400,180)	(400,180)
(481,212)	(714,765)	(1,195,977)
530,007	-	530,007
38,989	29,561	68,550
51,631	-	51,631
(240,000)	240,000	-
380,627	269,561	650,188
(100,585)	(445,204)	(545,789)
4,177,764	885,219	5,062,983
<u>\$ 4,077,179</u>	<u>\$ 440,015</u>	<u>\$ 4,517,194</u>

**HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**DECEMBER 31, 2012**  
(with comparative totals for December 31, 2011)

	General	Housing Assistance	Totals	
			2012	2011
<b>ASSETS</b>				
Cash and investments	\$ 1,978,974	\$ 426,163	\$ 2,405,137	\$ 2,451,514
Accounts receivable	825	30,073	30,898	49,377
Intergovernmental receivable	-	-	-	1,668
Notes receivable	1,172,690	-	1,172,690	1,214,400
Taxes receivable	9,601	-	9,601	8,242
Accrued interest receivable	81,991	1,299	83,290	77,717
Prepaid items	196	242,713	242,909	235,273
<b>TOTAL ASSETS</b>	<b>\$ 3,244,277</b>	<b>\$ 700,248</b>	<b>\$ 3,944,525</b>	<b>\$ 4,038,191</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 419	\$ -	\$ 419	\$ 1,127
Accrued salaries and benefits payable	4,163	5,282	9,445	7,657
Deposits Payable	20,000	-	20,000	20,000
Deferred revenue	1,253,956	29,989	1,283,945	1,322,658
Total liabilities	1,278,538	35,271	1,313,809	1,351,442
Fund balances:				
Nonspendable				
Prepaid items	196	242,713	242,909	235,273
Restricted for housing projects	1,965,543	422,264	2,387,807	2,451,476
Total fund balances	1,965,739	664,977	2,630,716	2,686,749
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,244,277</b>	<b>\$ 700,248</b>	<b>\$ 3,944,525</b>	<b>\$ 4,038,191</b>

**HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
 DECEMBER 31, 2012**

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FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 2,630,716

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

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

Capital assets	175,169	
Accumulated depreciation	<u>(12,651)</u>	162,518

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

1,283,945

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 4,077,179

**HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**YEAR ENDED DECEMBER 31, 2012**  
(with comparative totals for year ended December 31, 2011)

	General	Housing Assistance	Totals	
			2012	2011
REVENUES:				
General property taxes	\$ 531,527	\$ -	\$ 531,527	\$ 523,958
Intergovernmental	60	3,002,448	3,002,508	3,654,112
Interest income	31,372	7,617	38,989	55,948
Other revenues	51,631	-	51,631	42,592
Total revenues	<u>614,590</u>	<u>3,010,065</u>	<u>3,624,655</u>	<u>4,276,610</u>
EXPENDITURES:				
Current:				
Public service	<u>218,756</u>	<u>3,221,932</u>	<u>3,440,688</u>	<u>4,054,476</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>395,834</u>	<u>(211,867)</u>	<u>183,967</u>	<u>222,134</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(240,000)</u>	<u>-</u>	<u>(240,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	155,834	(211,867)	(56,033)	222,134
FUND BALANCES AT BEGINNING OF YEAR	<u>1,809,905</u>	<u>876,844</u>	<u>2,686,749</u>	<u>2,464,615</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,965,739</u>	<u>\$ 664,977</u>	<u>\$ 2,630,716</u>	<u>\$ 2,686,749</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, 2012**

---

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (56,033)

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. (38,713)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (100,585)

**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, 2012**  
(with comparative actual amounts for year ended December 31, 2011)

	2012		Variance with Final Budget	2011
	Original and Final Budget	Actual		Actual
REVENUES:				
General property taxes	\$ 529,844	\$ 531,527	\$ 1,683	\$ 523,958
Intergovernmental	-	60	60	312,668
Interest income	5,000	31,372	26,372	42,627
Other revenues	21,250	51,631	30,381	42,525
Total revenues	<u>556,094</u>	<u>614,590</u>	<u>58,496</u>	<u>921,778</u>
EXPENDITURES:				
Public service:				
Personal services	176,450	177,689	(1,239)	174,312
Materials and supplies	500	1,030	(530)	-
Contractual services:				
Housing assistance	-	-	-	264,000
Grant awards	345	584	(239)	300,000
Other	58,315	39,453	18,862	41,311
Total expenditures	<u>235,610</u>	<u>218,756</u>	<u>16,854</u>	<u>779,623</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>320,484</u>	<u>395,834</u>	<u>75,350</u>	<u>142,155</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(320,484)</u>	<u>(240,000)</u>	<u>80,484</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	155,834	155,834	142,155
FUND BALANCES AT BEGINNING OF YEAR	<u>1,809,905</u>	<u>1,809,905</u>	<u>-</u>	<u>1,667,750</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,809,905</u>	<u>\$ 1,965,739</u>	<u>\$ 155,834</u>	<u>\$ 1,809,905</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, 2012**  
(with comparative actual amounts for year ended December 31, 2011)

	2012			2011
	Original and Final Budget	Actual	Variance with Final Budget	Actual
REVENUES:				
Intergovernmental	\$ 3,248,152	\$ 3,002,448	\$ (245,704)	\$ 3,341,444
Interest income	800	7,617	6,817	13,321
Other	-	-	-	67
Total revenues	<u>3,248,952</u>	<u>3,010,065</u>	<u>(238,887)</u>	<u>3,354,832</u>
EXPENDITURES:				
Public service:				
Personal services	220,832	220,006	826	218,220
Materials and supplies	250	2	248	30
Contractual services:				
Housing assistance	2,972,000	2,955,908	16,092	3,006,667
Other	55,870	46,016	9,854	49,936
Total expenditures	<u>3,248,952</u>	<u>3,221,932</u>	<u>27,020</u>	<u>3,274,853</u>
NET CHANGE IN FUND BALANCE	-	(211,867)	(211,867)	79,979
FUND BALANCES AT BEGINNING OF YEAR	<u>876,844</u>	<u>876,844</u>	<u>-</u>	<u>796,865</u>
FUND BALANCES AT END OF YEAR	<u>\$ 876,844</u>	<u>\$ 664,977</u>	<u>\$ (211,867)</u>	<u>\$ 876,844</u>

**HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA**  
**ENTERPRISE FUNDS**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2012**  
**(with comparative totals for December 31, 2011)**

	Plymouth Towne Square	Vicksburg Crossing	Totals	
			2012	2011
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 1,015,751	\$ 1,203,434	\$ 2,219,185	\$ 2,188,203
Restricted cash and investments	-	-	-	3,148,656
Accounts receivable	5,034	701	5,735	7,181
Accrued interest receivable	2,743	1,928	4,671	5,536
Prepaid items	16,200	17,375	33,575	29,371
Total current assets	1,039,728	1,223,438	2,263,166	5,378,947
Noncurrent assets:				
Restricted cash and investments	-	9,811,588	9,811,588	-
Deferred charges	-	-	-	127,676
Capital assets:				
Land	459,247	874,593	1,333,840	1,333,840
Construction in progress	-	-	-	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	400,966	353,668	754,634	612,464
Total capital assets	7,041,001	10,492,481	17,533,482	17,394,787
Less accumulated depreciation	(3,172,704)	(2,239,416)	(5,412,120)	(4,847,013)
Net capital assets	3,868,297	8,253,065	12,121,362	12,547,774
Total noncurrent assets	3,868,297	18,064,653	21,932,950	12,675,450
<b>TOTAL ASSETS</b>	<b>\$ 4,908,025</b>	<b>\$ 19,288,091</b>	<b>\$ 24,196,116</b>	<b>\$ 18,054,397</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 12,871	\$ 13,975	\$ 26,846	\$ 24,862
Accrued salaries and benefits payable	6,646	6,904	13,550	8,982
Deposits payable	51,218	54,798	106,016	97,726
Due to other governments	32,505	55,514	88,019	83,633
Accrued interest payable	23,947	364,877	388,824	252,865
Revenue bonds payable	245,000	185,000	430,000	3,430,887
Total current liabilities	372,187	681,068	1,053,255	3,898,955
Noncurrent liabilities:				
Revenue bonds payable (net of unamortized discounts)	2,987,925	19,714,921	22,702,846	13,270,223
Total liabilities	3,360,112	20,395,989	23,756,101	17,169,178
<b>NET POSITION</b>				
Net investment in capital assets	635,372	(1,835,268)	(1,199,896)	(914,093)
Restricted for debt service	111,665	324,293	435,958	484,846
Unrestricted	800,876	403,077	1,203,953	1,314,466
Total net position	1,547,913	(1,107,898)	440,015	885,219
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 4,908,025</b>	<b>\$ 19,288,091</b>	<b>\$ 24,196,116</b>	<b>\$ 18,054,397</b>



**HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA**  
**ENTERPRISE FUNDS**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**YEAR ENDED DECEMBER 31, 2012**  
**(with comparative totals for year ended December 31, 2011)**

	Plymouth Towne Square	Vicksburg Crossing	Totals	
			2012	2011
OPERATING REVENUES:				
Rental revenue	\$ 679,704	\$ 1,140,126	\$ 1,819,830	\$ 2,033,073
OPERATING EXPENSES:				
Personal services	84,356	103,415	187,771	188,347
Materials and supplies	30,896	15,251	46,147	27,602
Contractual services	387,593	311,855	699,448	677,966
Depreciation	197,359	367,748	565,107	563,009
Total operating expenses	700,204	798,269	1,498,473	1,456,924
OPERATING INCOME (LOSS)	(20,500)	341,857	321,357	576,149
NONOPERATING REVENUES (EXPENSES):				
Interest income	24,506	5,055	29,561	35,484
Amortization	(95,574)	(107,248)	(202,822)	(6,545)
Interest expense	(198,511)	(634,789)	(833,300)	(692,462)
Total nonoperating revenues (expenses)	(269,579)	(736,982)	(1,006,561)	(663,523)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(290,079)	(395,125)	(685,204)	(87,374)
TRANSFERS IN	216,000	24,000	240,000	-
CHANGES IN NET POSITION	(74,079)	(371,125)	(445,204)	(87,374)
NET POSITION AT BEGINNING OF YEAR	1,621,992	(736,773)	885,219	972,593
NET POSITION AT END OF YEAR	\$ 1,547,913	\$ (1,107,898)	\$ 440,015	\$ 885,219

**HOUSING AND REDEVELOPMENT AUTHORITY OF PLYMOUTH, MINNESOTA**  
**ENTERPRISE FUNDS**  
**PROPRIETARY FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2012**  
**(with comparative totals for year ended December 31, 2011)**

	Plymouth Towne Square	Vicksburg Crossing	Totals	
			2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers or users	\$ 684,868	\$ 1,144,698	\$ 1,829,566	\$ 2,031,246
Payments to suppliers	(414,561)	(328,865)	(743,426)	(712,807)
Payments to employees	(82,201)	(101,002)	(183,203)	(190,307)
Net cash flows from operating activities	<u>188,106</u>	<u>714,831</u>	<u>902,937</u>	<u>1,128,132</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfers in from other funds	<u>216,000</u>	<u>24,000</u>	<u>240,000</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition and construction of capital assets	(138,695)	-	(138,695)	(3,475)
Bond proceeds received	-	9,811,588	9,811,588	3,207,039
Principal paid on capital debt	(3,285,000)	(170,000)	(3,455,000)	(355,000)
Interest paid on capital debt	(232,611)	(464,730)	(697,341)	(672,601)
Net cash flows from capital and related financing activities	<u>(3,656,306)</u>	<u>9,176,858</u>	<u>5,520,552</u>	<u>2,175,963</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest income	25,056	5,369	30,425	32,323
Purchase of investments	-	(9,811,588)	(9,811,588)	-
Net cash flows from investing activities	<u>25,056</u>	<u>(9,806,219)</u>	<u>(9,781,163)</u>	<u>32,323</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>(3,227,144)</u>	<u>109,470</u>	<u>(3,117,674)</u>	<u>3,336,418</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>4,242,895</u>	<u>1,093,964</u>	<u>5,336,859</u>	<u>2,000,441</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 1,015,751</u>	<u>\$ 1,203,434</u>	<u>\$ 2,219,185</u>	<u>\$ 5,336,859</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ (20,500)	\$ 341,857	\$ 321,357	\$ 576,149
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	197,359	367,748	565,107	563,009
Changes in assets and liabilities:				
Accounts receivable	1,847	(401)	1,446	(3,853)
Prepaid expenses	(1,891)	(2,311)	(4,202)	(678)
Accounts payable	4,215	(2,231)	1,984	(10,793)
Accrued salaries payable	2,155	2,413	4,568	(1,960)
Due to other governments	1,604	2,783	4,387	4,232
Deposits payable	3,317	4,973	8,290	2,026
Total adjustments	<u>208,606</u>	<u>372,974</u>	<u>581,580</u>	<u>551,983</u>
Net cash flows from operating activities	<u>\$ 188,106</u>	<u>\$ 714,831</u>	<u>\$ 902,937</u>	<u>\$ 1,128,132</u>

**CITY OF PLYMOUTH, MINNESOTA  
HOUSING AND REDEVELOPMENT AUTHORITY - HOUSING CHOICE VOUCHERS  
FINANCIAL DATA SCHEDULE  
BALANCE SHEET  
DECEMBER 31, 2012**

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**ASSETS**

Current assets:

111	Cash - unrestricted	\$	336,768
113	Cash - other restricted		89,395
121	Accounts receivable - PHA projects		84
128	Fraud recovery		29,989
129	Accrued interest receivable		1,299
142	Prepaid expenses and other assets		<u>242,713</u>
190	Total assets	\$	<u>700,248</u>

**LIABILITIES**

Current liabilities:

321	Accrued wage/payroll taxes payable	\$	5,282
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**NET ASSETS**

511.1	Restricted net assets		106,663
512.1	Unrestricted net assets		<u>588,303</u>
513	Total net assets		<u>694,966</u>
600	Total liabilities and net assets	\$	<u>700,248</u>

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

**CITY OF PLYMOUTH, MINNESOTA  
HOUSING AND REDEVELOPMENT AUTHORITY - HOUSING CHOICE VOUCHERS  
FINANCIAL DATA SCHEDULE  
INCOME STATEMENT  
YEAR ENDED DECEMBER 31, 2012**

REVENUES:

70600	HUD PHA operating grants	\$ 1,562,040
71100	Investment income - unrestricted	5,356
71400	Fraud recovery	35,673
71500	Other revenue	1,313,437
72000	Investment income - restricted	2,261
70000	Total revenue	<u>2,918,767</u>

OPERATING EXPENSES:

Administrative expenses:

91100	Administrative salaries	167,398
91200	Auditing fees	6,405
91500	Employee benefit contributions - administrative	52,608
91600	Office expenses	4,112
91700	Legal expense	47
91800	Travel	140
91900	Other	12,406
91000	Total operating administrative expenses	<u>243,116</u>

Insurance premiums:

96110	Property insurance	3,141
96120	Liability insurance	3,141
96130	Workmen's compensation	3,141
96100	Total insurance premiums	<u>9,423</u>

General expenses:

96200	Other general expenses	<u>4,390</u>
96900	Total operating expenses	<u>256,929</u>

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

2,661,838

OTHER EXPENSES:

97300	Housing assistance payments	1,612,815
97350	HAP Portability-in	1,230,901
90000	Total other expenses	<u>2,843,716</u>

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

(181,878)

NET ASSETS AT BEGINNING OF YEAR

876,844

NET ASSETS AT END OF YEAR

\$ 694,966

MEMO ACCOUNT INFORMATION:

11170	Administrative fee equity	588,303
11180	Housing assistance payments equity	106,663
	Total net assets	<u>\$ 694,966</u>

11190	Unit months available	2,520
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11210	Number of unit months leased	2,518
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The notes to the financial data schedule are an integral part of this statement.

**CITY OF PLYMOUTH, MINNESOTA  
HOUSING AND REDEVELOPMENT AUTHORITY - MAINSTREAM VOUCHERS  
FINANCIAL DATA SCHEDULE  
BALANCE SHEET  
DECEMBER 31, 2012**

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**ASSETS**

Current assets:

111	Cash - unrestricted	\$	—
121	Accounts receivable - PHA projects		—
122	Accounts receivable - HUD other projects		—
129	Accrued interest receivable		—
142	Prepaid expenses and other assets		—
			<hr/>
190	Total assets	\$	<hr/> <hr/>

**NET ASSETS**

511.1	Restricted net assets	\$	—
512.1	Unrestricted net assets		—
			<hr/>
513/600	Total net assets	\$	<hr/> <hr/>

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

**CITY OF PLYMOUTH, MINNESOTA  
HOUSING AND REDEVELOPMENT AUTHORITY - MAINSTREAM VOUCHERS  
FINANCIAL DATA SCHEDULE  
INCOME STATEMENT  
YEAR ENDED DECEMBER 31, 2012**

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REVENUES:		
70600 HUD PHA operating grants	\$	121,287
OPERATING EXPENSES:		
Administrative expenses:		
91900 Other		<u>13,485</u>
EXCESS (DEFICIENCY) OF OPERATING REVENUE OVER (UNDER) OPERATING EXPENSES		107,802
OTHER EXPENSES:		
97300 Housing assistance payments		<u>107,802</u>
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES		-
NET ASSETS AT BEGINNING OF YEAR		<u>-</u>
NET ASSETS AT END OF YEAR	\$	<u><u>-</u></u>
MEMO ACCOUNT INFORMATION:		
11190 Unit months available		180
11210 Number of unit months leased		176

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

**CITY OF PLYMOUTH, MINNESOTA  
HOUSING AND REDEVELOPMENT AUTHORITY - STATE/LOCAL  
FINANCIAL DATA SCHEDULE  
BALANCE SHEET  
DECEMBER 31, 2012**

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**ASSETS**

Current assets:

131	Investments - unrestricted	\$ 1,978,974
124	Accounts receivable - other government	9,601
125	Accounts receivable - miscellaneous	825
129	Accrued interest receivable	81,991
142	Prepaid expenses and other assets	196
150	Total current assets	<u>2,071,587</u>

Noncurrent assets:

162	Buildings	175,169
166	Accumulated depreciation	(12,651)
171	Notes, loans and mortgages receivable - non-current	<u>1,172,690</u>
180	Total noncurrent assets	<u>1,335,208</u>

190	Total assets	<u><u>\$ 3,406,795</u></u>
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**LIABILITIES**

Current liabilities:

312	Accounts payable <= 90 days	\$ 419
321	Accrued wage/payroll taxes payable	4,163
345	Other current liabilities	<u>20,000</u>
310	Total current liabilities	24,582

**NET ASSETS**

508.1	Invested in capital assets, net of related debt	162,518
512.1	Unrestricted net assets	<u>3,219,695</u>
513	Total net assets	<u>3,382,213</u>
600	Total liabilities and net assets	<u><u>\$ 3,406,795</u></u>

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

**CITY OF PLYMOUTH, MINNESOTA  
HOUSING AND REDEVELOPMENT AUTHORITY - STATE/LOCAL  
FINANCIAL DATA SCHEDULE  
INCOME STATEMENT  
YEAR ENDED DECEMBER 31, 2012**

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REVENUES:

71100	Investment income - unrestricted	\$ 31,372
71500	Other revenue	<u>546,543</u>
	Total revenue	577,915

OPERATING EXPENSES:

Administrative expenses:

91100	Administrative salaries	140,966
91200	Auditing fees	1,615
91500	Employee benefit contributions - administrative	36,722
91600	Office expenses	21,177
91700	Legal expense	2,469
91900	Other	<u>2,447</u>
91000	Total administrative expenses	205,396

Ordinary maintenance and operations:

94200	Materials and other	1,030
94300	Contracts	<u>2,185</u>
94000	Total maintenance expenses	3,215

Insurance premiums:

96110	Property insurance	3,180
96120	Liability insurance	3,180
96130	Workmen's compensation	<u>3,180</u>
96100	Total insurance premiums	9,540

General expenses:

96200	Other general expenses	<u>604</u>
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Total operating expenses 218,755

EXCESS (DEFICIENCY) OF OPERATING REVENUE  
OVER (UNDER) OPERATING EXPENSES 359,160

OTHER EXPENSES:

97400	Depreciation	5,839
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OTHER FINANCING USES:

10020	Operating Transfers out	<u>240,000</u>
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EXCESS (DEFICIENCY) OF TOTAL REVENUE  
OVER (UNDER) TOTAL EXPENSES 113,321

NET ASSETS AT BEGINNING OF YEAR 3,268,892

NET ASSETS AT END OF YEAR \$ 3,382,213

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



**CITY OF PLYMOUTH, MINNESOTA**  
**HOUSING AND REDEVELOPMENT AUTHORITY - BUSINESS ACTIVITIES**  
**FINANCIAL DATA SCHEDULE**  
**BALANCE SHEET**  
**DECEMBER 31, 2012**

**ASSETS**

Current assets:

111	Investments - unrestricted	\$ 1,677,441
114	Cash - tenant security deposit	105,784
132	Investments - restricted	9,817,548
135	Investments - restricted for payment of current liabilities	430,000
125	Accounts receivable - miscellaneous	269
126	Accounts receivable - tenants	5,466
129	Accrued interest receivable	4,671
142	Prepaid expenses and other assets	33,575
150	Total current assets	<u>12,074,754</u>

Noncurrent assets:

161	Land	1,684,023
162	Buildings	15,094,825
163	Furniture, equipment & machinery - dwellings	728,168
164	Furniture, equipment & machinery - administration	26,466
166	Accumulated depreciation	(5,412,120)
180	Total non-current assets	<u>12,121,362</u>

190	Total assets	<u><u>\$ 24,196,116</u></u>
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**LIABILITIES**

Current liabilities:

312	Accounts payable <= 90 days	\$ 26,846
321	Accrued wage/payroll taxes payable	6,520
322	Accrued compensated absences - current portion	7,030
325	Accrued interest payable	388,824
333	Accounts payable - other government	88,019
341	Tenant security deposit	106,016
343	Current portion of long-term debt - capital projects and mortgage revenue bonds	430,000
310	Total current liabilities	<u>1,053,255</u>

Noncurrent liabilities:

351	Long-term debt, net of current - capital projects and mortgage revenue bonds	<u>22,702,846</u>
300	Total liabilities	<u>23,756,101</u>

**NET ASSETS**

508.1	Invested in capital assets, net of related debt	(1,199,896)
511.1	Restricted net assets	435,958
512.1	Unrestricted net assets	1,203,953
513	Total net assets	<u>440,015</u>

600	Total liabilities and net assets	<u><u>\$ 24,196,116</u></u>
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The notes to the financial data schedule are an integral part of this statement.

**CITY OF PLYMOUTH, MINNESOTA**  
**HOUSING AND REDEVELOPMENT AUTHORITY - BUSINESS ACTIVITIES**  
**FINANCIAL DATA SCHEDULE**  
**INCOME STATEMENT**  
**YEAR ENDED DECEMBER 31, 2012**

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REVENUES:

70300	HUD PHA operating grants	\$ 1,723,375
70400	Other revenue	<u>75,085</u>
70500	Total tenant revenue	1,798,460
71100	Investment income - unrestricted	5,912
71500	Other revenue	21,370
72000	Investments income - restricted	<u>23,649</u>
	Total revenue	1,849,391

OPERATING EXPENSES:

Administrative expenses:

91100	Administrative salaries	89,313
91200	Auditing fees	1,850
91300	Management fee	100,800
91500	Employee benefit contributions - administrative	38,613
91600	Office expense	23,522
91900	Other	<u>7,441</u>
91000	Total administrative expenses	261,539

Tenant services:

92400	Other	12,702
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Utilities:

93100	Water	21,188
93200	Electricity	47,989
93300	Gas	<u>34,428</u>
93000	Total utilities expenses	103,605

Ordinary maintenance and operations:

94100	Labor	57,678
94200	Materials and other	33,389
94300	Contracts	<u>303,422</u>
94000	Total maintenance expenses	394,489

Protective services:

96110	Property insurance	58,738
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General expenses:

96300	Payments in lieu of taxes	102,293
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(Continued...)

**CITY OF PLYMOUTH, MINNESOTA  
HOUSING AND REDEVELOPMENT AUTHORITY - BUSINESS ACTIVITIES  
FINANCIAL DATA SCHEDULE  
INCOME STATEMENT  
YEAR ENDED DECEMBER 31, 2012**

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(Continued from previous page)

Interest expense:	
96710 Interest on mortgage (or Bonds) payable	833,300
96730 Amortization of bond issue costs	202,822
96700 Total interest expense and amortization cost	<u>1,036,122</u>
96900 Total operating expenses	<u>1,969,488</u>
EXCESS (DEFICIENCY) OF OPERATING REVENUES OVER (UNDER) OPERATING EXPENSES	(120,097)
OTHER EXPENSES:	
97400 Depreciation	565,107
OTHER FINANCING SOURCES:	
10010 Operating Transfers in	<u>(240,000)</u>
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES	(445,204)
NET ASSETS AT BEGINNING OF YEAR	<u>885,219</u>
NET ASSETS AT END OF YEAR	<u>\$ 440,015</u>
MEMO ACCOUNT INFORMATION:	
11020 Required annual debt principal payments	\$ 885,219
11190 Unit months available	2,340
11210 Number of unit months leased	2,264

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

**CITY OF PLYMOUTH, MINNESOTA**  
**NOTES TO FINANCIAL DATA SCHEDULE**  
**Year Ended December 31, 2012**

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

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



## **STATISTICAL SECTION**



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

	<b>Fiscal Year</b>									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Net investment in capital assets	\$ 131,702	\$ 134,717	\$ 140,490	\$ 147,612	\$ 150,167	\$ 155,191	\$ 154,183	\$ 155,551	\$ 161,820	\$ 166,158
Restricted	17,864	15,397	15,338	17,533	4,772	5,324	5,615	5,744	16,127	16,637
Unrestricted	36,500	44,798	46,982	47,610	70,517	73,960	76,294	79,792	76,773	79,439
Total government activities net of position	<u>\$ 186,066</u>	<u>\$ 194,912</u>	<u>\$ 202,810</u>	<u>\$ 212,755</u>	<u>\$ 225,456</u>	<u>\$ 234,475</u>	<u>\$ 236,092</u>	<u>\$ 241,087</u>	<u>\$ 254,720</u>	<u>\$ 262,234</u>
Business-type activities										
Net investment in capital assets	\$ 54,900	\$ 65,713	\$ 83,108	\$ 89,696	\$ 91,541	\$ 91,502	\$ 92,630	\$ 92,171	\$ 98,947	\$ 101,819
Restricted	38,527	28,414	18,655	20,053	18,377	19,658	18,876	20,833	22,515	24,362
Unrestricted	17,569	23,886	18,901	16,719	17,241	16,054	15,756	13,541	12,781	12,870
Total business-type activities net position	<u>\$ 110,996</u>	<u>\$ 118,013</u>	<u>\$ 120,664</u>	<u>\$ 126,468</u>	<u>\$ 127,159</u>	<u>\$ 127,214</u>	<u>\$ 127,262</u>	<u>\$ 126,545</u>	<u>\$ 134,243</u>	<u>\$ 139,051</u>
Primary government										
Net investment in capital assets	\$ 186,602	\$ 200,430	\$ 223,598	\$ 237,308	\$ 241,708	\$ 246,693	\$ 246,813	\$ 247,722	\$ 260,767	\$ 267,977
Restricted	56,391	43,811	33,993	37,586	23,149	24,982	24,491	26,577	38,642	40,999
Unrestricted	54,069	68,684	65,883	64,329	87,758	90,014	92,050	93,333	89,554	92,309
Total primary government net position	<u>\$ 297,062</u>	<u>\$ 312,925</u>	<u>\$ 323,474</u>	<u>\$ 339,223</u>	<u>\$ 352,615</u>	<u>\$ 361,689</u>	<u>\$ 363,354</u>	<u>\$ 367,632</u>	<u>\$ 388,963</u>	<u>\$ 401,285</u>

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
Governmental activities:										
General government	\$ 4,811	\$ 4,897	\$ 4,905	\$ 5,172	\$ 8,268	\$ 5,398	\$ 4,979	\$ 4,733	\$ 4,300	\$ 4,736
Economic development	-	-	-	-	-	-	-	226	353	354
Parks and recreation	6,058	6,530	6,634	6,932	7,694	7,914	7,498	7,977	8,115	8,044
Public safety	8,624	9,387	9,865	12,222	12,221	14,214	14,214	14,296	13,714	14,310
Public service	4,744	5,187	5,013	6,004	4,377	4,541	4,323	5,102	4,431	4,020
Public works	8,828	8,794	9,101	10,978	10,051	10,374	10,876	10,615	11,936	12,189
Interest on long-term debt	440	623	776	745	701	772	757	648	636	808
Total governmental activities expenses	<u>33,505</u>	<u>35,418</u>	<u>36,294</u>	<u>42,053</u>	<u>43,312</u>	<u>43,213</u>	<u>42,647</u>	<u>43,597</u>	<u>43,485</u>	<u>44,461</u>
Business-type activities:										
Water sewer utility	10,094	9,956	10,790	13,206	14,528	14,620	14,789	14,234	14,497	15,045
Ice center	1,060	1,129	1,650	1,602	1,700	1,761	1,623	1,669	1,726	1,695
Water resources	1,379	1,600	1,862	1,942	1,714	1,922	2,086	1,829	1,818	1,932
Solid waste management	782	789	915	813	969	1,029	944	1,049	1,055	900
Field house	299	291	302	305	307	299	293	255	230	236
Total business-type activities expenses	<u>13,614</u>	<u>13,765</u>	<u>15,519</u>	<u>17,868</u>	<u>19,218</u>	<u>19,631</u>	<u>19,736</u>	<u>19,036</u>	<u>19,326</u>	<u>19,808</u>
Total primary government expenses	<u>\$ 47,119</u>	<u>\$ 49,183</u>	<u>\$ 51,813</u>	<u>\$ 59,921</u>	<u>\$ 62,530</u>	<u>\$ 62,844</u>	<u>\$ 62,382</u>	<u>\$ 62,633</u>	<u>\$ 62,811</u>	<u>\$ 64,269</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 2,824	\$ 2,807	\$ 2,999	\$ 3,441	\$ 3,731	\$ 3,588	\$ 333	\$ 469	\$ 539	\$ 423
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	1,582
Public safety	215	220	232	266	1,313	293	2,176	2,385	3,884	3,705
Public service	11	226	754	803	1,126	1,098	1,009	953	1,078	979
Public works	621	655	647	863	808	806	576	1,503	1,935	1,479
Operating grants and contributions	5,537	5,646	5,501	6,253	6,027	10,075	7,118	6,910	5,579	7,770
Capital grants and contributions	7,780	4,545	9,849	12,842	10,042	2,869	2,138	3,578	9,094	4,582
Total governmental activities program revenues	<u>\$ 18,125</u>	<u>\$ 15,195</u>	<u>\$ 21,093</u>	<u>\$ 25,640</u>	<u>\$ 24,327</u>	<u>\$ 20,180</u>	<u>\$ 14,662</u>	<u>\$ 17,266</u>	<u>\$ 23,635</u>	<u>\$ 20,520</u>



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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$ 14,238
Ice center	854	962	1,278	1,230	1,261	1,372	1,406	1,401	1,407	1,465
Water resources	1,617	1,655	1,864	2,032	2,190	2,366	2,547	2,591	2,562	2,573
Solid waste management	810	1,004	1,073	917	1,072	1,296	411	710	941	632
Field house	267	304	299	294	301	358	364	369	348	335
Operating grants and contributions	170	213	244	522	186	717	236	1,087	372	329
Capital grants and contributions	1,455	5,145	1,908	6,187	2,138	1,071	589	778	10,564	5,036
Total business-type activities program revenues	14,051	18,306	16,277	21,586	18,978	19,456	18,642	19,886	29,740	24,608
Total primary government program revenues	\$ 32,176	\$ 33,501	\$ 37,370	\$ 47,226	\$ 43,305	\$ 39,636	\$ 33,304	\$ 37,152	\$ 53,375	\$ 45,128
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 17,787	\$ 19,051	\$ 21,134	\$ 23,357	\$ 26,086	\$ 27,543	\$ 29,057	\$ 28,581	\$ 28,551	\$ 29,256
Unrestricted investment earnings	1,429	1,559	1,547	3,018	3,962	2,881	732	361	1,704	1,109
Gain on sale of capital assets	97	653	140	138	10	59	102	81	-	133
Other	160	101	637	102	216	241	195	348	12	233
Transfers	13	(879)	(359)	(257)	1,411	1,328	(485)	1,954	3,216	724
Total governmental activities	19,486	20,485	23,099	26,358	31,685	32,052	29,602	31,325	33,483	31,455
Business-type activities:										
Unrestricted investment earnings	1,461	1,337	1,230	1,579	2,229	1,433	571	366	489	671
Gain on sale of capital assets	26	-	-	-	-	-	-	-	-	-
Other	319	259	304	250	113	125	85	21	11	61
Transfers	(13)	879	359	257	(1,411)	(1,328)	485	(1,954)	(3,216)	(724)
Total business-type activities	1,793	2,475	1,893	2,086	931	230	1,142	(1,567)	(2,716)	8
Total primary government	\$ 21,279	\$ 22,960	\$ 24,992	\$ 28,444	\$ 32,616	\$ 32,282	\$ 30,743	\$ 29,758	\$ 30,767	\$ 31,463
<b>Change in Net Position</b>										
Governmental activities	\$ 4,106	\$ 262	\$ 7,898	\$ 9,945	\$ 12,700	\$ 9,019	\$ 1,617	\$ 4,994	\$ 13,633	\$ 7,514
Business-type activities	2,230	7,016	2,651	5,804	691	55	48	(717)	7,698	4,808
Total primary government	\$ 6,336	\$ 7,278	\$ 10,549	\$ 15,749	\$ 13,391	\$ 9,074	\$ 1,665	\$ 4,277	\$ 21,331	\$ 12,322

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

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<u>Fiscal Year</u>	<u>Property 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
2012	29,256

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

	<b>Fiscal Year</b>								
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General fund									
Nonspendable	\$ -	\$ -	\$ -	\$ 10	\$ 8	\$ 7	\$ 6	\$ 10	\$ 62
Assigned	-	-	-	68	1,333	246	585	633	447
Unassigned	8,949	9,430	10,354	10,943	9,927	11,478	11,246	11,365	11,814
Total general fund	<u>\$ 8,949</u>	<u>\$ 9,430</u>	<u>\$ 10,354</u>	<u>\$ 11,021</u>	<u>\$ 11,268</u>	<u>\$ 11,731</u>	<u>\$ 11,837</u>	<u>\$ 12,008</u>	<u>\$ 12,323</u>
All other governmental funds									
Nonspendable	\$ 46	\$ 46	\$ 46	\$ 46	\$ 46	\$ 46	\$ 46	\$ 46	\$ 52
Restricted	7,670	8,217	10,082	10,769	12,568	16,777	14,515	15,289	19,475
Assigned	37,546	32,125	29,552	32,570	32,571	33,505	34,137	38,214	41,654
Unassigned	(2,875)	(991)	(128)	-	-	(1)	(1)	(1)	-
Total all other governmental funds	<u>42,387</u>	<u>39,397</u>	<u>39,552</u>	<u>43,385</u>	<u>45,185</u>	<u>50,327</u>	<u>48,697</u>	<u>53,548</u>	<u>61,181</u>
Total Governmental Funds	<u>\$ 51,336</u>	<u>\$ 48,827</u>	<u>\$ 49,906</u>	<u>\$ 54,406</u>	<u>\$ 56,453</u>	<u>\$ 62,058</u>	<u>\$ 60,534</u>	<u>\$ 65,556</u>	<u>\$ 73,504</u>

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 next year.

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
General property taxes	\$ 17,818	\$ 19,002	\$ 21,115	\$ 23,299	\$ 26,030	\$ 27,465	\$ 29,037	\$ 28,633	\$ 28,547	\$ 29,336
Special assessments	127	369	201	172	152	134	128	86	88	92
Licenses and permits	2,643	2,632	2,726	3,138	3,420	3,828	2,272	2,466	3,242	3,942
Intergovernmental	9,054	6,287	9,921	8,019	10,824	8,099	7,687	8,399	6,809	4,923
Charges for current services	1,803	2,151	2,717	3,050	3,551	3,238	3,422	4,061	4,635	4,235
Fines and forfeitures	568	881	860	939	894	897	798	733	878	847
Contributions	1,489	838	1,241	1,424	633	705	92	1,151	1,476	897
Interest Income	1,139	1,230	1,212	2,221	2,852	2,095	568	290	1,234	831
Loan Repayments	-	-	-	-	-	-	5	7	7	7
Other revenue	444	199	733	445	459	278	227	333	262	207
<b>Total Revenue</b>	<b>35,085</b>	<b>33,589</b>	<b>40,726</b>	<b>42,707</b>	<b>48,815</b>	<b>46,739</b>	<b>44,236</b>	<b>46,159</b>	<b>47,178</b>	<b>45,317</b>
<b>Expenditures</b>										
General government	4,267	4,545	4,604	4,801	5,309	4,341	4,103	4,365	4,177	4,627
Economic development	-	-	-	-	-	-	-	226	953	354
Parks and recreation	4,905	5,225	5,478	5,548	6,072	6,219	6,300	6,621	6,744	6,815
Public safety	8,625	8,945	9,697	10,718	11,655	13,222	13,511	13,856	13,478	14,173
Public service	4,511	4,308	4,777	4,596	4,362	4,452	4,449	4,017	4,248	3,892
Public works	3,258	3,204	3,472	3,159	4,099	4,294	4,155	5,065	5,118	4,873
Interest on interfund advances	8,606	91	82	72	62	51	39	27	76	56
Debt service:										
Principal retirement	465	500	990	1,390	1,535	1,600	1,690	1,920	1,445	1,915
Interest and fiscal charges	439	509	758	783	723	752	759	682	652	649
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	8,255
<b>Total Expenditures</b>	<b>43,682</b>	<b>38,652</b>	<b>46,360</b>	<b>42,888</b>	<b>51,021</b>	<b>46,166</b>	<b>42,691</b>	<b>48,725</b>	<b>47,180</b>	<b>45,609</b>
Excess of revenues over (under) expenditures	(8,597)	(5,063)	(5,634)	(181)	(2,206)	573	1,545	(2,566)	(2)	(292)

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

	<b>Fiscal Year</b>									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Other financing sources (uses)</b>										
Transfers in	\$ 10,459	\$ 6,681	\$ 12,183	\$ 5,552	\$ 16,901	\$ 11,858	\$ 8,505	\$ 16,611	\$ 16,988	\$ 12,006
Transfers out	(9,685)	(7,860)	(9,115)	(4,292)	(12,945)	(10,384)	(8,449)	(14,658)	(11,965)	(8,926)
Bonds issued	5,715	7,480	1,370	-	2,715	-	3,935	2,990	-	4,815
Premium (discount) on debt	10	98	(12)	-	(7)	-	69	49	-	345
Payment on refunded bonds	-	-	(1,300)	-	-	-	-	(3,950)	-	-
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>	<u>8,240</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>	<u>\$ 7,948</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%	6.86%

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

---

<u>Fiscal Year</u>	<u>Property Tax</u>
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
2012	29,336

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Population (1)	70,238	70,682	70,455	70,676	71,147	71,536	72,268	70,576	71,263	71,644
Real Property										
Assessed/tax capacity value	\$ 81,310	\$ 86,602	\$ 94,585	\$ 102,569	\$ 112,009	\$ 121,295	\$ 122,107	\$ 116,187	\$ 108,748	\$ 103,968
Estimated market value	\$ 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	\$ 8,802,943
Personal Property										
Assessed/tax capacity value	\$ 804	\$ 845	\$ 894	\$ 913	\$ 1,023	\$ 943	\$ 942	\$ 944	\$ 1,021	\$ 1,071
Estimated market value	\$ 40,441	\$ 42,517	\$ 44,940	\$ 45,985	\$ 51,652	\$ 47,578	\$ 47,640	\$ 47,820	\$ 51,696	\$ 54,454
Total Real and Personal Property										
Assessed/tax capacity value	\$ 82,114	\$ 87,447	\$ 95,479	\$ 103,482	\$ 113,032	\$ 122,238	\$ 123,048	\$ 117,131	\$ 109,769	\$ 105,039
Estimated market value	\$ 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	\$ 8,857,397
Total direct tax rate (2)	24.20	23.92	23.81	23.75	23.75	23.35	24.86	26.01	27.49	28.72

Source: Hennepin County

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

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

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

Fiscal Year Ended December 31	City of Plymouth Rates			Overlapping Rates (1)								
	Operating	Housing & Redevelopment Authority	Total City Rate	Hennepin County Operating	Other Districts Operating	School Districts				Watershed Districts		
						Dist #270 Operating	Dist #279 Operating	Dist #281 Operating	Dist #284 Operating	Dist #3 Operating	Dist #7 Operating	Dist #8 Operating
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
2012	28.15	0.57	28.72	48.23	9.52	29.27	24.93	32.81	25.33	1.71	0.62	0.00

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)**

<u>Taxpayer</u>	2012			2003		
	<u>Tax Capacity Value</u>	<u>Rank</u>	<u>Percentage of Total Tax Capacity Value</u>	<u>Tax Capacity Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
St Paul Properties Inc	\$ 1,009	1	0.96%	\$ 1,068	2	1.30%
Tallcott III Atria LLC	813	2	0.77%	-	-	-
MU Plymouth Ponds LLC	714	3	0.68%	-	-	-
Liberty Property, Ltd. Partnership	671	4	0.64%	881	5	1.07%
505 Waterford Corportation	567	5	0.54%	599	9	0.73%
One Two Holding LLC	533	6	0.51%	-	-	-
GS Park Place LLC	500	7	0.48%	-	-	-
AX Waterford LP	490	8	0.47%	-	-	-
Plymouth Corp Center De LLC	476	9	0.45%	-	-	-
CBC North-South LLC	471	10	0.45%	-	-	-
Carlson Companies	-	-	-	2,415	1	2.94%
Equity Residential Property Trust	-	-	-	914	3	1.11%
Sentinel Real Estate Corp	-	-	-	891	4	1.09%
Moen Leuer Development	-	-	-	803	6	0.98%
3033 Campus VEF III LLC	-	-	-	617	7	0.75%
OPUS Corp	-	-	-	613	8	0.75%
F E Trotter Inc. et al Trustee	-	-	-	553	10	0.67%
	<u>\$ 6,244</u>		<u>5.95%</u>	<u>\$ 9,354</u>		<u>11.39%</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
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%	199	25,878	99.96%
2008	27,485	26,960	98.09%	268	27,228	99.06%
2009	28,899	27,915	96.60%	266	28,181	97.52%
2010	28,727	27,797	96.76%	216	28,013	97.51%
2011	28,728	27,748	96.59%	168	27,916	97.17%
2012	28,728	28,411	98.90%	-	28,411	98.90%

**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			
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
2012	16,300	-	3,365	11,680	31,345	0.95%	438

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

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

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

Fiscal Year Ended December 31	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property(1)	Per Capita(1)
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
2012	16,300	7,456	8,844	0.10%	123

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

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

**CITY OF PLYMOUTH, MINNESOTA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF DECEMBER 31, 2012**  
**(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	\$ 1,070,640	7.3%	\$ 49,325
ISD #270 (Hopkins)	150,345	3.8%	5,573
ISD #279 (Osseo)	145,755	10.2%	9,367
ISD #281 (Robbinsdale)	168,430	25.7%	40,509
IDS #284 (Wayzata)	65,135	55.1%	34,569
Metropolitan Council	1,724,989	3.3%	6,459
Three Rivers Park District	96,005	9.9%	7,226
Hennepin County Regional Railroad Auth.	39,110	7.3%	2,838
Subtotal, overlapping debt			<u>155,866</u>
City of Plymouth direct debt			<u>19,665</u>
Total direct and overlapping debt			<u>\$ 175,531</u>

Source: Hennepin County, Minnesota

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

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

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

	<b>Fiscal Year</b>									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 130,294	\$ 143,088	\$ 158,977	\$ 172,690	\$ 188,344	\$ 301,248	\$ 301,800	\$ 287,883	\$ 270,756	\$ 265,722
Total net debt applicable to limit	5,701	12,699	11,569	10,553	12,081	11,022	9,827	11,605	10,388	8,844
Legal debt margin	<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>	<u>\$ 256,878</u>
Total net debt applicable to the limit as a percentage of debt limit	4.38%	8.87%	7.28%	6.11%	6.41%	3.66%	3.26%	4.03%	3.84%	3.33%

**Legal Debt Margin Calculation for Fiscal Year 2012**

Estimated taxable market value	\$ 8,857,397
Debt limit (3% of total market value)	265,722
Debt applicable to limit:	
Capital Improvement Bonds 2004A	5,595
Open Spaces GO Bonds 2007A	2,280
Activity Center/Field House Refunding Bonds 2009 B	750
Open Space Bonds 2010A	2,860
Refunding Bonds 2012A	4,815
Less: Amount set aside for repayment of general obligation debt	<u>(7,456)</u>
Total net debt applicable to limit	<u>8,844</u>
Legal debt margin	<u>\$ 256,878</u>

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

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

Fiscal Year Ended December 31	Water Revenue Bonds						Special Assessment Bonds			
	Water-Sewer Utility Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
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
2012	14,900	10,900	4,000	830	280	3.60	1,541	285	20	5.05

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

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

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

**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)
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	71,263	3,363,257	47,195	51,807	4.6%
2012	71,644	3,300,854	46,073	51,553	4.3%

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



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

Employer	2012			2003		
	Employees	Rank	Percentage of Total Plymouth Employment	Employees	Rank	Percentage of Total Plymouth Employment
I.S.D. #284 (Wayzata)	1,484	1	3.15%	-	-	-
Carlson Companies	1,000	2	2.12%	-	-	-
EV3, Inc	860	3	1.83%	-	-	-
Allied Interstate	650	4	1.38%	-	-	-
Prudential Insurance Company	598	5	1.27%	3,500	1	6.66%
Honeywell International	525	6	1.12%	560	5	1.07%
Boston Scientific	500	7	1.06%	-	-	-
Nilfisk-Advance, Inc	450	8	0.96%	-	-	-
ATEK Co, Inc	400	9	0.85%	-	-	-
Target Corp	350	10	0.74%	-	-	-
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>14.48%</u>	<u>9,165</u>		<u>17.43%</u>

Note: Data is based on the most current information available. 2003 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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Administration	10	10	10	10	10	10	10	11	8	9
Assessing	6	6	6	6	6	6	6	7	7	7
Finance	15	15	15	15	15	15	14	13	10	12
Inspection	11	11	11	12	12	12	12	12	10	11
Planning	11	11	11	11	11	11	11	11	11	11
Information Technology	7	7	7	7	7	8	7	7	5	6
Parks										
Administration	4	4	5	5	5	5	5	9	9	9
Park Maintenance	24	25	25	25	25	26	26	21	20	20
Plymouth Creek	5	5	5	5	5	5	6	5	5	5
Ice Center	5	5	5	5	5	5	5	4	5	5
Public Safety										
Police- Sworn	61	65	67	67	69	70	70	66	68	64
Police - Civilian	16	16	16	16	16	17	16	17	15	16
Fire Prevention	2	2	2	2	2	2	2	0	0	0
Full Time Fire Fighters	5	6	7	7	7	7	6	6	6	6
Public Works										
Engineering	17	17	18	18	17	17	17	13	13	10
Streets	19	20	19	19	18	19	19	13	13	13
Central Equipment	4	4	4	4	4	4	4	5	5	6
Recycling Administration	1	1	1	1	1	1	1	2	2	1
Risk Management	1	1	1	1	1	1	1	1	1	1
Building Management	2	2	2	2	2	2	2	2	2	3
Public Service										
House and Development	6	6	6	6	6	6	6	3	3	3
Sewer/Water	20	21	21	21	23	23	23	23	23	23
Transit	1	1	2	2	2	2	2	1	1	1
	<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>	<u>242</u>

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

	FISCAL YEAR						
	2006	2007	2008	2009	2010	2011	2012
Police							
Medical calls	2,526	2,925	2,314	2,962	2,548	2,517	2,585
Traffic stops	17,156	16,647	17,418	15,131	12,843	19,650	16,372
Other	46,117	45,677	37,309	33,149	34,392	42,931	38,189
Fire							
Inspections	2,321	2,301	1,758	1,629	1,007	1,221	1,093
Fire calls - Residential	725	814	743	701	786	926	800
Fire calls - Structural	1,041	355	312	270	248	285	240
Fire calls - Other	311	343	290	278	374	325	334
Inspections							
Permit related	8,908	16,942	17,464	14,568	18,036	18,043	19,641
Non-permit related	24,422	7,332	10,940	7,627	2,185	2,240	2,556
Recreation							
Hours of ice time	7,851	7,054	6,612	6,801	7,166	7,315	6,847
Number of programs	1,721	1,818	1,862	1,908	2,011	2,003	2,079
Plymouth Creek Center rentals	4,083	4,053	3,838	3,757	3,956	4,218	4,068
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	3,629,615
Watermain breaks	59	88	54	43	29	53	34
Publicworks							
Snowplowing hours	1,348	1,730	1,954	2,179	3,003	970	3,023

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

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	15	17	17	17	21	25	38	38	33	23
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	28	28	28	26	26	26	26
Other streets & alleys (miles)	277	276	277	283	284	287	287	290	294	297
Sidewalks (miles)	9	9	9	9	9	11	11	12	12	12
Streetlights	2,694	2,694	2,694	2,910	2,910	2,973	2,984	3,028	3,059	3,042
Parks and recreation										
Acreage	1,000	1,000	1,000	1,000	1,200	1,273	1,273	1,400	1,410	1,685
Number of parks and playgrounds	45	45	45	45	49	49	50	50	50	50
Trails (miles)	90	100	100	110	110	136	136	136	137	140
Community center	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	322	322	326	350	352	353	353	354	361	366
Fire hydrants:										
Private	1,505	1,538	1,514	1,545	1,545	1,562	1,569	1,571	1,571	1,573
Public	4,202	4,092	4,133	4,297	4,333	4,345	4,429	4,434	4,528	4,580
Wastewater										
Sanitary sewer (miles)	294	296	297	307	309	309	309	309	319	322
Storm sewer (miles)	124	126	127	129	133	134	134	134	140	143

Sources: Various city departments.

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