

CITY OF PLYMOUTH
Wayne County, Michigan

AUDITED FINANCIAL REPORT

For the Fiscal Year Ended
June 30, 2019

CITY OF PLYMOUTH
For the Year Ended June 30, 2019

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For the Year Ended June 30, 2019

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FINANCIAL SECTION

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Independent Auditor's Report

December 5, 2019

To the Honorable Mayor and
Members of the City Commission
City of Plymouth, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Plymouth, Michigan, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 entity'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 entity'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.

Honorable Mayor and
Members of the City Commission
City of Plymouth, Michigan

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Plymouth, Michigan, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the defined benefit pension plan trend information, and the budgetary comparison information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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 of Plymouth, Michigan's basic financial statements as a whole. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling information directly to underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Respectfully,



PSLZ LLP
Certified Public Accountants
Plymouth, Michigan



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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 June 30, 2019.

Financial Highlights

- The assets of the City of Plymouth exceeded its liabilities at the close of the most recent fiscal year by \$14,949,859 (*net position*).
- As of the close of the current fiscal year, the City of Plymouth's governmental funds reported combined ending fund balances of \$5,388,860, a decrease of \$510,883 in comparison with the prior year. Approximately 35% of this total amount, \$1,869,424 is *available for spending* at the government's discretion (*uncommitted fund balance*).
- At the end of the current fiscal year, combined fund balance for the general fund was \$1,983,201, an increase of \$39,117 over the prior year, and approximately 22% of total general fund expenditures.
- The City of Plymouth's total long-term debt decreased \$1,878,506 during the fiscal year, which represents annual debt service payments. In addition, Net OPEB liabilities increased by \$137,913, and Net Pension Liability increased \$742,259.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Plymouth's basic financial statements. The City of Plymouth's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Plymouth's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Plymouth's assets and liabilities, with the difference between the two 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 government'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, public safety, highways and streets, sanitation, and culture and recreation. The business-type activities of the City of Plymouth include a water and sewer system.

The government-wide financial statements include not only the City of Plymouth itself (known as the *primary government*), but also a legally separate Downtown Development Authority, and other "non major" component units for which the City of Plymouth is financially accountable. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 12-14 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Plymouth, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Plymouth can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *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 this comparison between *governmental funds* and *governmental activities*.

The City of Plymouth maintains twenty-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund which is the only governmental major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Plymouth adopts an annual appropriated budget for its general fund and special revenue funds. A budgetary comparison statement has been provided for the general fund on page 55 to demonstrate compliance with this budget.

Proprietary funds. The City of Plymouth maintains a single proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Plymouth uses an enterprise fund to account for its water and sewer activity.

Internal service 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 an internal service fund to account for its fleet of vehicles, and other equipment. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Plymouth's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 20 of this report.

Notes to the financial statements. The notes 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 can be found on pages 23-50 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Plymouth's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees. This information can be found on pages 51 - 54 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 55-64 of this report.

Government-wide Financial Analysis

As noted earlier, 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 \$14,949,859 at the close of the most recent fiscal year.

By far the largest portion of the City of Plymouth's net position (174%) 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 used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Plymouth's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Plymouth's Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 8,214,643	\$ 8,645,116	\$ 6,343,631	\$ 7,051,676	\$ 14,558,274	\$ 15,696,792
Capital Assets	22,224,812	22,429,257	11,513,424	10,791,412	33,738,236	33,220,669
Total Assets	<u>30,439,455</u>	<u>31,074,373</u>	<u>17,857,055</u>	<u>17,843,088</u>	<u>48,296,510</u>	<u>48,917,461</u>
Deferred Outflows	1,089,724	1,155,239	35,527	44,887	1,125,251	1,200,126
Long-term liabilities	28,877,906	29,042,680	1,705,000	2,125,000	30,582,906	31,167,680
Other liabilities	2,343,107	2,084,454	462,332	343,714	2,805,439	2,428,168
Total Liabilities	<u>31,221,013</u>	<u>31,127,134</u>	<u>2,167,332</u>	<u>2,468,714</u>	<u>33,388,345</u>	<u>33,595,848</u>
Deferred Inflows	934,547	536,272	149,010	173,845	1,083,557	710,117
Net Position:						
Net Investment						
in capital assets	16,301,171	15,470,951	9,694,941	8,537,454	25,996,112	24,008,405
Restricted	3,264,518	3,520,423	303,050	1,035,820	3,567,568	4,556,243
Unrestricted (Deficit)	(20,192,070)	(18,425,168)	5,578,249	5,672,142	(14,613,821)	(12,753,026)
Total Net Position	<u>\$ (626,381)</u>	<u>\$ 566,206</u>	<u>\$ 15,576,240</u>	<u>\$ 15,245,416</u>	<u>\$ 14,949,859</u>	<u>\$ 15,811,622</u>

An additional portion of the City of Plymouth's net position \$3,567,568 represents resources that are subject to external restrictions on how they may be used.

The City's net position decreased by \$861,763 during the current fiscal year primarily due to the increases in the net pension liability and the other post-employment benefit liability as of June 30, 2019.

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Program Revenues:						
Charges for Services	\$ 3,169,904	\$ 3,270,672	\$ 4,574,418	\$ 3,987,919	\$ 7,744,322	\$ 7,258,591
Operating Grants & Contrib.	1,900,391	985,803	-	-	1,900,391	985,803
Capital Grants & Contrib.	16,774	14,944	-	-	16,774	14,944
General Revenues:						
Property Taxes	8,186,807	7,845,429	-	-	8,186,807	7,845,429
State Shared Revenues	906,017	904,143	-	-	906,017	904,143
Franchise Fees	236,114	241,809	-	-	236,114	241,809
Investment Earnings	116,051	18,019	87,979	7,902	204,030	25,921
Gain(Loss) on Sale of Assets	-	-	-	67,110	-	67,110
Transfers-Component Unit	-	236,851	-	-	-	236,851
Total Revenues	14,532,058	13,517,670	4,662,397	4,062,931	19,194,455	17,580,601
Program Expenses:						
General Government	2,222,589	1,429,998	-	-	2,222,589	1,429,998
Public Safety	7,085,316	4,904,049	-	-	7,085,316	4,904,049
Public Works	4,576,620	3,534,720	-	-	4,576,620	3,534,720
Recreation and Cultural	1,365,275	1,304,097	-	-	1,365,275	1,304,097
Other	249,989	192,797	-	-	249,989	192,797
Interest on Long-Term Debt	224,856	252,464	-	-	224,856	252,464
Water and Sewer	-	-	4,331,573	3,989,915	4,331,573	3,989,915
Total Expenses	15,724,645	11,618,125	4,331,573	3,989,915	20,056,218	15,608,040
Change in Net Position	\$ (1,192,587)	\$ 1,899,545	\$ 330,824	\$ 73,016	\$ (861,763)	\$ 1,972,561

Governmental activities. Governmental activities decreased the City of Plymouth's net position by \$1,192,587. Key elements of this decrease are as follows:

- Revenues for the 2018-19 fiscal year increased by only \$1,014,388 while expenditures increased by \$4,106,520. The notable increases in revenues and expenditures is due to the City's decision to pay off debt internally. The outcome of this decision has the biggest impact on the revenue and expenditure statement; however, the net impact does put the City in a better long-term position. Other items of note are investment earning, which overall jumped from \$25,921 to \$204,030 due to mild increased in interest rates and the City's decision to diversify our investment portfolio more prudently; property tax revenue went up 4% even as the operating millage was cut, as a result of the Headlee Formula, from 10.9937 in 2017-18 to 10.8782 2018-19; and once again this year, slight increases in State Revenue Sharing did not even keep with the State of Michigan's set rate of inflation.
- New actuarial information as of December 31, 2018, for the City's defined benefit pension plan shows an increase of \$742,259 in unfunded pension liability. As of December 31, 2018 the pension plan reflects a net investment loss of \$337,090 due to stock market conditions as of that date. The City has made supplemental payments to MERS exceeding required contributions. In addition, the City has recorded an increase in OPEB healthcare liability of \$137,913. These costs are expected to continue escalating for at least the next decade before eventually declining after that time.

Business-type activities. Business-type activities increased the City of Plymouth's net position by \$330,824. The City's only business-type activity, the water and sewer fund, has demonstrated

improvement for the past seven years parallel with the improvements in the governmental activities sector. Much of the accumulation of unrestricted assets are the result of the City Commission's desire to provide more reserves to cover unanticipated system replacements as well as to provide for significant future internal funding of ongoing utility replacements as part of the street construction program.

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City of Plymouth's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Plymouth's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Plymouth's governmental funds reported combined ending fund balances of \$5,388,860, a decrease of \$219,806 in comparison with the prior year. Approximately 35% of this total amount (\$1,869,424) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. A portion of fund balance is *restricted* to indicate that it is not available for new spending because it has already been committed 1) to pay debt service (\$73,375), 2) to generate income to pay for the perpetual care of the municipal cemetery (\$586,476), 3) for capital projects (\$35,619) and 4) to special revenue sources (\$2,569,048). The remaining allocation is "*non-spendable*" (\$162,750), and *committed* (\$92,168) to specific purposes.

The general fund is the chief operating fund of the City of Plymouth. At the end of the current fiscal year, *unassigned* fund balance of the general fund was \$1,869,424 and the total fund balance was \$1,983,201. *Unassigned* fund balance represents 22% of total general fund expenditures. The general fund had an increase in fund balance of \$39,117 in the current year.

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. Unrestricted net position of the Water and Sewer Fund at the end of the year amounted to \$5,578,249. The decrease in net position was \$93,893 compared to an increase of \$73,016 in the prior year. Other factors concerning the finances of the fund have already been addressed in the discussion of the City of Plymouth's business-type activities.

General Fund Budgetary Highlights

The budget is a collaborative process between the City administration and City Commission, which begins with the distribution of materials to department heads in January of each year. Department heads submit their funding request in February. Costs are deliberated and funding requests are debated, which ultimately results in a proposed budget delivered to the City Commission per Charter Section 8.2. Through the budget review process, the final draft is created and sent to the City Commission for approval in June of each year. The multi-year budget model, which the City adopted beginning with the 2004-05 budget, has provided the administration with much needed assistance in achieving financial stability and strengthening operational fund balances as reflected in this audit report. The City of Plymouth reviews and approves budget amendments on a quarterly basis during November, February, May and June of each year. It is through this process that the City administration and City Commission are able

to adaptively adjust to our ever-changing environment. The culmination of the budget amendments is reflected on page 55, as highlighted below:

- General Fund revenues exceeded the originally budgeted \$8,516,890 by \$761,531 and conversely expenditures came in \$669,988 above originally budgeted amount
- The two lines items which resulted in the largest difference between budgeted and actuals are other revenues and public safety
- Final overall expenditures came within 6% of amended budgeted amounts
- Only two out of 21 expenditure categories exceeded amended budgeted amounts, which resulted in a difference of \$624,637
- Actual revenues compared to expenditures resulted in a \$39,117 increase to the General Fund balance

Capital Asset and Debt Administration

Capital assets. The City of Plymouth's investment in capital assets for its governmental and business type activities as of June 30, 2019, amounts to \$33,738,326 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads and highways. The total decrease in the City of Plymouth's investment in capital assets for the current fiscal year was .5%, as annual depreciation exceeded capital outlay expenses.

Most of the significant capital asset changes during the current fiscal year occurred as we near the completion of infrastructure improvements as part of the street reconstruction program involving replacement of roads, drainage systems and water and sewer utility mains as well as the acquisition and development of property in the downtown planned as future parking development facilities.

The continuing street reconstruction program for fiscal year 2019-20 will include the following streets:

- Ross - McKinley to Evergreen
- Junction - Pacific to Ann

This year's capital outlay acquisitions included \$49,755 of vehicle, machinery and equipment purchases, \$2,183,117 of general facility improvements and street infrastructure.

Long-term debt. At the end of the current fiscal year, the City of Plymouth had total bonded and installment debt outstanding of \$7,628,641 in addition to \$1,180,000 of debt obligations from the DDA, all of which comprises debt backed by the full faith and credit of the government. During fiscal year 2019, the City made annual debt service payments of \$1,693,506 and \$185,000 of payments by the DDA. Additional information on the City of Plymouth's long-term debt can be found in notes III.D. on page 38-39.

Economic Factors and Next Year's Budgets and Rates

The City of Plymouth is very fortunate to have a robust and growing housing market. Even with a shortage of developable land, taxable values in the City grew at a rate of 7.5% last year. However, due to the interaction between Proposal A of 1994 and the Headlee Amendment of 1978, the maximum inflationary growth in the State of Michigan for municipalities was 2.4% as set forth by the Headlee Formula. The result of the difference between actual growth and the maximum allowable growth is a reduction in the City's operating millage from 10.8782 in 2018 to 10.7291 in 2019. This is a reduction of .1491 mills and an overall decrease of .6543 mills from the maximum rate of 11.3834 mills, which had existed for period of 10 consecutive years ending in 2015. Since 2015, the City has experienced five consecutive years of Headlee Rollbacks.

Though the City's financial health has remained stable, this has come at the expense of the ability to do any large-scale capital projects outside of the voter-approved street program. The delay in capital projects is a result of the need to pay down debt related to the City's now defunct retirement plan, in which costs continue to rise. There is a necessity to develop a long-term strategy that will both address critical capital improvement needs, while still making the necessary payments required by retiree obligations in our current fiscal year.

The waste and recycling operating millage rate was held steady at 1.8200 mills and the City's general obligation debt millage rate decreased slightly from 2.8008 mills to 2.6795 mills. The GO (General Obligation) debt millage is based on the sale of street bonds in 2008 and 2012, which will increase during 2020 after a voter-approved bond sale of up to \$12 million in November of 2019.

Staff recommendations for service charges and utility rates beginning July 1, 2019 include freezing in the trash cart service fees at \$9.50 per month for a sixth consecutive fiscal year, until the City is able to renegotiate its waste and recycling contract that will conclude at the end of October. The new contract may cause a reconsideration in the trash cart rate freeze. Water and sewer usage charges remained stable at \$5.33 and \$6.90 per thousand gallons effective July 1, 2019. After a significant increase in water and sewer tap fees during the 2013-14 fiscal year, rates were held constant for tap fees for the 2019-20 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City of Plymouth's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 201 S. Main Street, City of Plymouth, Michigan 48170.

BASIC FINANCIAL STATEMENTS

CITY OF PLYMOUTH
Statement of Net Position
June 30, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 6,956,453	\$ 4,722,532	\$ 11,678,985	\$ 852,171
Investments	65,663	-	65,663	-
Receivables (net of allowance for uncollectibles)	514,128	1,180,652	1,694,780	5,061
Due from Other Funds	80,000	-	80,000	-
Due from Primary Government	-	-	-	10,824
Due from Other Governmental Units	514,069	-	514,069	-
Inventory	84,330	137,397	221,727	-
Restricted Assets - Cash and Cash Equivalents	-	303,050	303,050	-
Capital Assets (Net of Accumulated Depreciation)	22,224,812	11,513,424	33,738,236	4,017,047
Total Assets	<u>30,439,455</u>	<u>17,857,055</u>	<u>48,296,510</u>	<u>4,885,103</u>
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized Bond Discount	-	35,527	35,527	-
Deferral related to Pension	1,089,724	-	1,089,724	-
	<u>1,089,724</u>	<u>35,527</u>	<u>1,125,251</u>	<u>-</u>
LIABILITIES				
Accounts Payable	727,029	437,151	1,164,180	88,748
Accrued Liabilities	1,327,938	25,181	1,353,119	39,216
Due to Other Funds	29,175	-	29,175	-
Due to Component Unit	10,824	-	10,824	-
Due to Other Governmental Units	248,141	-	248,141	-
Noncurrent Liabilities:				
Compensated Absences	305,580	-	305,580	-
Other Post Employment Benefits (OPEB)	15,133,046	-	15,133,046	-
Net Pension Liability	7,515,639	-	7,515,639	-
Due within one year	1,435,174	465,000	1,900,174	185,000
Due in more than one year	4,488,467	1,240,000	5,728,467	995,000
Total Liabilities	<u>31,221,013</u>	<u>2,167,332</u>	<u>33,388,345</u>	<u>1,307,964</u>
DEFERRED INFLOW OF RESOURCES				
Deferral related to Pension and OPEB	934,547	-	934,547	-
Unamortized Bond Premium	-	149,010	149,010	115,045
	<u>934,547</u>	<u>149,010</u>	<u>1,083,557</u>	<u>115,045</u>
NET POSITION				
Net Investment in Capital Assets	16,301,171	9,694,941	25,996,112	2,837,047
Restricted for:				
Capital Projects	35,619	303,050	338,669	-
Debt Service	73,375	-	73,375	-
Special Revenue	2,569,048	-	2,569,048	-
Other	586,476	-	586,476	-
Unrestricted (Deficit)	(20,192,070)	5,578,249	(14,613,821)	625,047
Total Net Position	<u>\$ (626,381)</u>	<u>\$ 15,576,240</u>	<u>\$ 14,949,859</u>	<u>\$ 3,462,094</u>

CITY OF PLYMOUTH
Statement of Activities
For the Year Ended June 30, 2019

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
Governmental Activities:				
General Government	\$ 2,222,589	\$ 1,263,316	\$ 853,345	\$ -
Public Safety	7,085,316	607,347	58,852	-
Public Works	4,576,620	433,234	987,194	-
Recreation and Cultural	1,365,275	866,007	1,000	16,774
Other	249,989	-	-	-
Interest on Long-Term Debt	224,856	-	-	-
Total Governmental Activities	<u>15,724,645</u>	<u>3,169,904</u>	<u>1,900,391</u>	<u>16,774</u>
Business-type Activities:				
Water and Sewer	<u>4,331,573</u>	<u>4,574,418</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 20,056,218</u>	<u>\$ 7,744,322</u>	<u>\$ 1,900,391</u>	<u>\$ 16,774</u>
Component Units:				
D.D.A./B.R.A./E.D.C.	<u>\$ 1,261,469</u>	<u>\$ 114,141</u>	<u>\$ 7,695</u>	<u>\$ -</u>

General Revenues:
Property Taxes
State Shared Revenues
Franchise Fee
Unrestricted Investment Earnings
Total General Revenues and Transfers

Change in Net Position
Net Position - Beginning

Net Position - Ending

Net (Expense) Revenue and Changes in Net Position

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (105,928)	\$ -	\$ (105,928)	\$ -
(6,419,117)	-	(6,419,117)	-
(3,156,192)	-	(3,156,192)	-
(481,494)	-	(481,494)	-
(249,989)	-	(249,989)	-
(224,856)	-	(224,856)	-
<u>(10,637,576)</u>	<u>-</u>	<u>(10,637,576)</u>	<u>-</u>
<u>-</u>	<u>242,845</u>	<u>242,845</u>	<u>-</u>
<u>(10,637,576)</u>	<u>242,845</u>	<u>(10,394,731)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,139,633)</u>
8,186,807	-	8,186,807	949,693
906,017	-	906,017	-
236,114	-	236,114	-
116,051	87,979	204,030	10,493
<u>9,444,989</u>	<u>87,979</u>	<u>9,532,968</u>	<u>960,186</u>
(1,192,587)	330,824	(861,763)	(179,447)
<u>566,206</u>	<u>15,245,416</u>	<u>15,811,622</u>	<u>3,641,541</u>
<u>\$ (626,381)</u>	<u>\$ 15,576,240</u>	<u>\$ 14,949,859</u>	<u>\$ 3,462,094</u>

CITY OF PLYMOUTH
Balance Sheet
Governmental Funds
June 30, 2019

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 3,672,303	\$ 2,770,341	\$ 6,442,644
Investments	-	65,663	65,663
Receivables (net of allowance for uncollectibles):			
Taxes	250,959	-	250,959
Accounts	63,537	199,632	263,169
Due from Other Funds	80,000	550,000	630,000
Due from Other Governmental Units	313,708	200,361	514,069
Inventory	33,777	48,973	82,750
 Total Assets	 \$ <u>4,414,284</u>	 \$ <u>3,834,970</u>	 \$ <u>8,249,254</u>

LIABILITIES AND FUND BALANCE

Liabilities:			
Accounts Payable	\$ 330,341	\$ 376,618	\$ 706,959
Accrued and Other Liabilities	1,262,601	52,693	1,315,294
Due to Other Governmental Units	248,142	-	248,142
Due to Other Funds	579,175	-	579,175
Due to Component Unit	10,824	-	10,824
Total Liabilities	<u>2,431,083</u>	<u>429,311</u>	<u>2,860,394</u>
Fund Balances:			
Non Spendable-Inventory and Prepaid Expenditures	33,777	48,973	82,750
Non Spendable-Long Term Accounts Receivable	80,000	-	80,000
Restricted:			
Capital Projects	-	35,619	35,619
Debt Service	-	73,375	73,375
Special Revenue	-	2,569,048	2,569,048
Other	-	586,476	586,476
Committed	-	92,168	92,168
Uncommitted:			
Unassigned	1,869,424	-	1,869,424
Total Fund Balances	<u>1,983,201</u>	<u>3,405,659</u>	<u>5,388,860</u>
 Total Liabilities and Fund Balances	 \$ <u>4,414,284</u>	 \$ <u>3,834,970</u>	

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

Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	20,877,036
Internal Service Funds are used by management to charge the costs of motor pool to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. These liabilities do not require current resources:	1,261,811
Other Post Employment Benefits Liability	(15,443,994)
Compensated Absences Liability	(305,580)
Net Pension Liability	(7,049,514)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(5,355,000)</u>
Net Position of Governmental Activities	<u>\$ (626,381)</u>

CITY OF PLYMOUTH
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>			
Property Taxes	\$ 5,837,277	2,349,530	\$ 8,186,807
Licenses and Permits	4,172	404,396	408,568
Intergovernmental:			
Federal, State and Local	1,118,082	1,120,152	2,238,234
Charges for Services	1,025,450	1,299,628	2,325,078
Interest	74,024	42,027	116,051
Other	669,416	37,904	707,320
Total Revenues	<u>8,728,421</u>	<u>5,253,637</u>	<u>13,982,058</u>
<u>Expenditures</u>			
Current:			
General Government	1,693,668	-	1,693,668
Public Safety	5,789,156	598,125	6,387,281
Public Works	1,017,625	2,573,496	3,591,121
Recreation and Cultural	-	1,181,200	1,181,200
Other	249,989	-	249,989
Debt Service:			
Principal	-	1,235,000	1,235,000
Interest and Other Charges	-	204,877	204,877
Capital Outlay	163,430	44,578	208,008
Total Expenditures	<u>8,913,868</u>	<u>5,837,276</u>	<u>14,751,144</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(185,447)</u>	<u>(583,639)</u>	<u>(769,086)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	-	617,811	617,811
Transfers Out	<u>(325,436)</u>	<u>(292,375)</u>	<u>(617,811)</u>
Total Other Financing Sources (Uses)	<u>(325,436)</u>	<u>325,436</u>	<u>-</u>
Net Change in Fund Balances	(510,883)	(258,203)	(769,086)
Fund Balances - Beginning	<u>2,494,084</u>	<u>3,663,862</u>	<u>6,157,946</u>
Fund Balances - Ending	<u>\$ 1,983,201</u>	<u>3,405,659</u>	<u>\$ 5,388,860</u>

CITY OF PLYMOUTH
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2019

Amounts reported for governmental activities in the statement of activities (page 12-13) are different because:

Net change in fund balances - total governmental funds (page 15)	\$	(769,086)
<p>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 outlay expenditures exceeded depreciation expense in the current period.</p>		
Capital Outlay		883,389
Depreciation Expense		(1,254,297)
<p>The net decrease in other post employment benefit obligations (OPEB) does not require current resources and are not included in governmental funds.</p>		
		87,411
<p>The net increase in Net Pension Liability does not require current resources and are not included in governmental funds.</p>		
		(1,431,373)
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Principal Repayments		1,235,000
Compensated Absences Decrease		10,281
<p>Internal service funds are used by management to charge the costs of fleet management and management information systems to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.</p>		
		<u>46,088</u>
Change in net position in governmental activities (page 13)	\$	<u>(1,192,587)</u>

CITY OF PLYMOUTH
Balance Sheet
Proprietary Funds
June 30, 2019

	Business Type Activity Enterprise Fund	Governmental Activities - Internal Service
	Water & Sewer	Equipment Fund
<u>ASSETS AND DEFERRED OUTFLOWS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 4,722,532	\$ 513,809
Accounts Receivable	1,180,652	-
Inventory	137,397	1,580
Total Current Assets	6,040,581	515,389
Restricted Assets - Cash and Cash Equivalents	303,050	-
Property, Plant and Equipment:		
Water and Sewer Infrastructure	19,892,154	-
Machinery, Equipment and Vehicles	344,084	5,742,515
Accumulated Depreciation	(8,722,814)	(4,394,739)
Net Property, Plant and Equipment	11,513,424	1,347,776
Total Assets	17,857,055	1,863,165
Deferred Outflow - Unamortized Bond Discount	35,527	-
Total Assets and Deferred Outflows	\$ 17,892,582	\$ 1,863,165
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>		
Current Liabilities:		
Accounts Payable	\$ 437,151	\$ 20,070
Accrued Liabilities	25,181	12,644
Current Portion of Long Term Debt Payable	465,000	38,506
Total Current Liabilities	927,332	71,220
Long-Term Liabilities:		
Notes Payable	-	530,134
Bonds Payable	1,240,000	-
Total Long-Term Liabilities	1,240,000	530,134
Deferred Inflow - Bond Refunding	149,010	-
Net Position:		
Net Investment in Capital Assets	9,694,941	779,136
Restricted for Improvements	303,050	-
Unrestricted	5,578,249	482,675
Total Net Position	15,576,240	1,261,811
Total Liabilities, Deferred Inflows and Net Position	\$ 17,892,582	\$ 1,863,165

CITY OF PLYMOUTH
Statement of Revenues, Expenses and Changes in Fund Equity
Proprietary Funds
For the Year Ended June 30, 2019

	<u>Business Type Activity Enterprise Fund</u>	<u>Governmental Activities - Internal Service</u>
	<u>Water & Sewer</u>	<u>Equipment Fund</u>
<u>Operating Revenues:</u>		
Charges for Services	\$ 4,562,709	\$ -
Rental Income	-	756,595
Miscellaneous	11,709	21,675
Total Operating Revenues	<u>4,574,418</u>	<u>778,270</u>
<u>Operating Expenses:</u>		
Personal Services, Other and Administrative	772,548	430,765
Trunk and Lateral	199,207	-
Mains Maintenance	173,611	-
Service Maintenance	25,461	-
Sewage Disposal Charges	1,215,005	-
Purchased Water	1,067,572	-
Meter Maintenance	164,462	-
Hydrant Maintenance	33,544	-
Depreciation and Amortization	534,360	281,441
Total Operating Expenses	<u>4,185,770</u>	<u>712,206</u>
Operating Income (Loss)	<u>388,648</u>	<u>66,064</u>
<u>Non-Operating Revenues (Expenses):</u>		
Interest Income	87,979	3
Interest Expense	(145,803)	(19,979)
Total Non-Operating Revenues (Expenses)	<u>(57,824)</u>	<u>(19,976)</u>
Net Income (Loss)	330,824	46,088
Net Position, Beginning	<u>15,245,416</u>	<u>1,215,723</u>
Net Position, Ending	<u>\$ 15,576,240</u>	<u>\$ 1,261,811</u>

CITY OF PLYMOUTH
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Business Type Activity Enterprise Fund	Governmental Activities - Internal Service
	Water & Sewer	Equipment Fund
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Receipts from customers and users	\$ 4,507,380	\$ 107,773
Receipts from quasi-external transactions	-	756,595
Payments to suppliers	(2,887,387)	(451,304)
Payments to employees	(780,286)	344
Net Cash Provided by Operating Activities	839,707	413,408
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Purchases of Capital Assets	(1,075,037)	(209,064)
Principal Paid on Capital Debt	(420,000)	(38,506)
Interest Paid on Capital Debt	(136,443)	(19,979)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,631,480)	(267,549)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest Earned	-	3
Net Increase (Decrease) in Cash and Cash Equivalents	(791,773)	145,862
Cash and Cash Equivalents, Beginning	5,817,355	367,947
Cash and Cash Equivalents, Ending	\$ 5,025,582	\$ 513,809
<u>Balance Sheet Classifications:</u>		
Cash and Cash Equivalents	\$ 4,722,532	\$ 513,809
Restricted Assets - Cash and Cash Equivalents	303,050	-
Total	\$ 5,025,582	\$ 513,809
<u>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</u>		
Operating Income (Loss)	\$ 388,648	\$ 66,064
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization Expense	534,360	281,441
(Increase) Decrease in Receivables	(69,768)	67,415
(Increase) Decrease in Inventory	2,730	18,683
Increase (Decrease) in Accounts Payable	(8,525)	(20,539)
Increase (Decrease) in Accrued Liabilities	(7,738)	344
Net Cash Provided by Operating Activities	\$ 839,707	\$ 413,408

CITY OF PLYMOUTH
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	Agency Funds
<u>ASSETS</u>	
Cash	\$ 22,061
Due from Other Funds	29,175
Due from Other Governmental Units	124,089
Total Assets	175,325
 <u>LIABILITIES</u>	
Due to Other Funds	80,000
Due to Other	95,325
Total Liabilities	175,325
 NET POSITION	 \$ -

CITY OF PLYMOUTH
Statement of Net Position - Component Units
June 30, 2019

	<u>Major Funds</u>		<u>Non Major</u>	<u>Total</u>
	<u>Downtown Development Authority</u>	<u>Brownfield Redevelopment Authority</u>	<u>Economic Development Authority</u>	
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 643,551	\$ 208,620	\$ -	\$ 852,171
Accounts Receivable	5,061	-	-	5,061
Due from Primary Government	-	-	10,824	10,824
Capital Assets (Net of Accumulated Depreciation)	4,017,047	-	-	4,017,047
Total Assets	<u>4,665,659</u>	<u>208,620</u>	<u>10,824</u>	<u>4,885,103</u>
<u>LIABILITIES</u>				
Accounts Payable	20,661	68,087	-	88,748
Accrued Liabilities	39,216	-	-	39,216
Noncurrent Liabilities:				
Due within one year	185,000	-	-	185,000
Due in more than one year	995,000	-	-	995,000
Total Liabilities	<u>1,239,877</u>	<u>68,087</u>	<u>-</u>	<u>1,307,964</u>
<u>DEFERRED INFLOW OF RESOURCES</u>				
Unamortized Bond Premium	<u>115,045</u>	<u>-</u>	<u>-</u>	<u>115,045</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	2,837,047	-	-	2,837,047
Unrestricted	473,690	140,533	10,824	625,047
	<u>\$ 3,310,737</u>	<u>\$ 140,533</u>	<u>\$ 10,824</u>	<u>\$ 3,462,094</u>

CITY OF PLYMOUTH
Statement of Activities - Component Units
For the Year Ended June 30, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Total	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Major Funds		Non Major		
					Downtown Development Authority	Brownfield Redevelopment Authority	Economic Development Authority		
Major Funds:									
Downtown Development Authority	\$ 1,231,481	\$ 114,141	\$ 7,607	\$ -	\$ (1,109,733)	\$ -	\$ -	\$ (1,109,733)	
Brownfield Redevelopment Authority	29,988	-	88	-	-	(29,900)	-	(29,900)	
Total	\$ 1,261,469	\$ 114,141	\$ 7,695	\$ -	(1,109,733)	(29,900)	-	(1,139,633)	
General Revenues:									
					919,705	29,988	-	949,693	
					9,868	625	-	10,493	
					-	-	-	-	
					929,573	30,613	-	960,186	
					(180,160)	713	-	(179,447)	
					3,490,897	139,820	10,824	3,641,541	
					Net Position - Beginning				
					Net Position - Ending	\$ 3,310,737	\$ 140,533	\$ 10,824	\$ 3,462,094

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Plymouth was incorporated March 14, 1932, under the provisions of Act 279, P.A. 1909, as amended (Home Rule City Act). The City operates under a Commission-Manager form of government and provides the following services as authorized by its charter: public safety (police, fire, and inspection), highways and streets, sanitation, community development, culture-recreation, public improvements, planning and zoning, water and sewerage system, and general administrative services. It also operates a municipal cemetery.

As required by generally accepted accounting principles, these financial statements present the City of Plymouth and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations and so data from these units is combined with data of the primary government. The discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. Each blended and discretely presented component unit has a June 30, 2016 year end.

Blended Component Units

The City of Plymouth Municipal Building Authority is governed by a five (5) member Board appointed by the Mayor with City Commission approval. Although it is legally separate from the City, the Building Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the City's public buildings and parking structures.

Discretely Presented Component Units

The City of Plymouth Downtown Development Authority (DDA) Board is comprised of up to twelve (12) members appointed by the Mayor with City Commission approval. The DDA is responsible for the creation of a development and financing plan for the downtown district or a development area within the district to promote economic growth. The Authority must obtain City Commission approval of all development and financing plans. The annual operating budget and any modifications also require the approval of the Plymouth City Commission.

The City of Plymouth Economic Development Corporation (EDC) is governed by a nine (9) member board appointed by the Mayor with City Commission approval. The EDC was established to promote economic development within the City.

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

A. Reporting Entity – Continued

Discretely Presented Component Units – Continued

The City of Plymouth Brownfield Redevelopment Authority (BRA) is comprised of a nine (9) member board appointed by the Mayor with City Commission approval. The BRA was established to promote the revitalization of environmentally distressed areas of the City.

The above component units are discretely presented within the City financial statements because they are legally separate and financially accountable to the City. Financial accountability is demonstrated by the City Commission making the appointments to the respective boards, approving the annual operating budgets and any amendments of each component unit and approving development and financing plans of the EDC and DDA. Separate financial statements for these component units have not been prepared.

Joint Ventures

As of December 31, 2011, the City concluded participation with the Charter Township of Plymouth in a joint venture to operate the Plymouth Community Fire Department (PCFD), which provided fire services for residents and businesses of both the City and Township. As of January 1, 2012, the City became a participant with the City of Northville in a joint venture to receive fire services provided by the Northville City Fire Department (NCFD) to residents and businesses of the City of Plymouth. Both intergovernmental agreements are considered joint ventures because the City has an ongoing financial interest and ongoing financial responsibility related to the former service with the Charter Township of Plymouth and the City of Northville. The City has an obligation to the Township related to cost sharing or retirement pensions and retiree healthcare costs for employees who served under the agreement. Under the agreement with the City of Northville, the City will share staffing expenses of the NCFD based on a percentage related to the number of fire runs in each city compared to the total for both cities. The same percentage also applies to equipment rental charges of the City of Northville's Equipment Fund related to fire equipment of the NCFD.

The City also participates in an intergovernmental service agreement with Plymouth Township for Community services (E911, Police Dispatch). The Township has sole ownership of the assets of the "Plymouth Community Communication Center" established by the agreement.

During the year, the City contributed \$1,851,973 for Fire services from both the PCFD and NCFD and \$465,423 towards the Community Communications Center. Copies of the financial activity can be obtained from the Charter Township of Plymouth and the City of Northville.

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

B. 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 nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *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 statement of activities demonstrates 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, services, 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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 and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within 60 days of

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation
– Continued

the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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 by the City.

Governmental Funds

The City reports the following major governmental fund:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

In addition, the City reports on the following fund types:

The special revenue funds account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or capital projects).

The debt service funds account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

The capital project funds are used to account for construction projects and their related revenue sources.

Permanent funds are used to report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs. This includes the perpetual care fund for the municipal cemetery.

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation
– Continued

Proprietary Funds

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds include the following fund types:

Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the City Commission has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The City's enterprise fund is the Water and Sewer Fund, which is reported as a major fund.

Internal Service Funds account for operations that provide services to other departments or agencies of the City on a cost reimbursement basis. As these services predominantly benefit governmental rather than business-type functions, they have been included within the *governmental* activities in the government-wide financial statements.

Fiduciary Funds

Fiduciary Funds account for assets held by the government in a trustee capacity or as an agent on behalf of others. Fiduciary funds include the following fund types:

The Agency Funds are used to account for assets that the government holds for others in an agency capacity. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation
– Continued

Restricted Resources

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 needed.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

D. Assets, Liabilities and Net Position or Equity

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper of certain investment grades, and deposits of Michigan commercial banks.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of allowances (\$20,299) for uncollectible accounts, which are recorded at \$1,694,780 at June 30, 2019.

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Liabilities and Net Position or Equity – Continued

3. Inventory

Inventories are valued at cost using the first-in/first out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

4. Restricted Assets

Resources for the debt service and capital project activities within the Water and Sewer Fund (Enterprise Fund) are segregated and classified as "Restricted Assets", and total \$303,050 at June 30, 2019.

5. 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. 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 capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings	15-30
Equipment	5-20
Infrastructure	15-30

6. Compensated Absences

In accordance with contracts negotiated with the various employee groups of the City, individual employees have vested rights upon termination of employment to receive payment for unused vacation and sick leave under

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Liabilities and Net Position or Equity – Continued

6. Compensated Absences – Continued

formulas and conditions specified in the contracts. All sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured. The long-term portion of compensated absences related to the governmental funds is a liability recorded in the Statement of Net Position.

7. 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, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the Statement of Net Position. Long-term liabilities expected to be financed from proprietary funds are reported as liabilities in those funds.

8. Fund Equity

In the fund financial statements, governmental funds report the following components of fund balance:

Non-spendable – Amounts that are not in spendable form or are legally or contractually required to be maintained intact.

Restricted – Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.

Committed – Amounts that have been formally set aside by City Commission for use for a specific purpose. Commitments are made and can be rescinded only via resolution of the City Commission.

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Liabilities and Net Position or Equity – Continued

8. Fund Equity – Continued

Assigned – Intent to spend resources on specific purposes expressed by the City Commission, but are neither restricted nor committed. The City's intent would be to spend committed funds prior to the use of uncommitted/unassigned funds. 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.

Unassigned – This is the residual classification for the general fund. This classification represents fund balance that has not been restricted, committed, or assigned to specific purposes within the general fund.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

1. The City is legally subject to the budgetary control requirements of the State of Michigan P.A. 621 of 1978 (Uniform Budgeting Act). The following is a summary of the requirements of this act:
 - a. Budgets must be adopted for the General and Special Revenue Funds.
 - b. Budgets must be balanced.
 - c. Budgets must be amended as necessary.
 - d. Public hearings must be held prior to adoption.
 - e. Expenditures cannot exceed budget appropriations.
 - f. Expenditures must be authorized by a budget appropriation prior to being incurred.

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2019

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

A. Budgetary Information – Continued

2. The City follows these procedures in establishing the budgetary data reflected in these financial statements:
 - a. At the first meeting in April, the City Manager submits to the City Commission the proposed operating budgets for the fiscal year commencing the following July 1. The operating budgets include proposed expenditures and the means of financing them, for the General, Special Revenue, Debt Service and Proprietary Fund Types.
 - b. Public hearings are conducted at City Hall to obtain taxpayer comments.
 - c. Prior to June 30, the budgets are legally enacted at the activity level for the General Fund and at the activity level expenditure level for the Special Revenue Funds through passage of a resolution.
 - d. Formal budgetary integration is employed as a management control device during the year for all budgetary funds.
 - e. The City Manager is authorized to transfer amounts not to exceed 10% of the departmental budget between departmental (activity level) appropriation accounts.
 - f. Budget appropriations lapse at year end.
 - g. The City does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds.
 - h. Budgeted amounts are reported as originally adopted, or as amended by the City Commission.

B. Compliance with P.A. 621 of 1978

1. Deficit Fund Balance

The City has no funds with deficit balances.

2. Excess of Expenditures Over Appropriations in Budgetary Funds

The budgets for the General and Special Revenue Funds are adopted at the activity level. The City had no expenditures in excess of budget appropriations in the budgetary funds at June 30, 2019.

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2019

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Under State law, the City is permitted to invest in deposits with Michigan commercial banks, savings and loans and credit unions, obligations of the U.S. Treasury, and corporate bonds and commercial paper with certain investment grades. State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The City's investment policy does not further limit its investment choices.

A reconciliation of cash to the accompanying financial statements follows:

Statement of Net Position:	
Cash and Cash Equivalents	\$ 11,678,985
Restricted Assets-Cash	303,050
Fiduciary Fund:	
Cash	<u>22,061</u>
Total	<u>\$ 12,004,096</u>

Custodial Credit Risk. In the event of a bank failure, the City's deposits may not be recovered. Neither State law nor the City's investment policy requires consideration of custodial credit risk. As of June 30, 2019, the City's book balance of its deposits was \$12,004,096. The bank balance was \$12,002,519, of which \$7,152,519 was uninsured and uncollateralized. The City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

<u>Component Units:</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>FDIC Insured</u>
Downtown Development Authority	\$ 643,551	\$ 643,551	\$ -
Economic Development Corporation	-	-	-
Brownfield Redevelopment Authority	<u>208,620</u>	<u>208,620</u>	<u>-</u>
	<u>\$ 852,171</u>	<u>\$ 852,171</u>	<u>\$ -</u>

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2019

III. DETAILED NOTES ON ALL FUNDS – Continued

A. Deposits and Investments – Continued

Interest Rate Risk. The City’s investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with a 270 day maturity. At year end, the average maturities of deposits are as follows:

<u>Investments</u>	<u>Fair Value</u>	<u>Weighted Avg Maturity</u>
Michigan CLASS Investment Pool	\$ 2,850,000	.18
Trust Fund:		
Mutual Fund – Bonds and Cash	1,000	Not Available
Mutual Fund – Equity	<u>64,663</u>	Not Available
	<u>\$ 2,915,663</u>	

Credit Risk. State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

<u>Investments</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
MI CLASS Investment Pool	\$ 2,850,000	AAA	S&P
Trust Fund:			
Mutual Fund – Cash	1,000	Not Available	
Mutual Funds – Equity	<u>64,663</u>	Not Available	
	<u>\$ 2,915,663</u>		

Concentration of Credit Risk. The City’s investment policy places no limit on the amount the City may invest in any one issuer. The City does have more than 5% of its total cash and investments in the Michigan CLASS Investment Pool (22%).

Investments in Entities that Calculate Net Asset Value per Share. As of the fiscal year ended June 30, 2019, the City holds shares or interests in investment pools where the fair value of the investments are measured on a recurring basis using net asset value per share of the investment pools.

The Michigan CLASS investment pool (fair value \$2,850,000) has no unfunded commitments, no restrictions on redemption frequency, and has no redemption notice period.

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2019

III. DETAILED NOTES ON ALL FUNDS – Continued

B. Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

<u>Governmental Activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, not depreciated:				
Land	\$ 1,256,528	\$ -	\$ -	\$ 1,256,528
Capital Assets, being depreciated:				
Buildings and Improvements	7,273,288	88,596	-	7,361,884
Machinery and Equipment	2,114,501	4,984	-	2,119,485
Infrastructure	27,194,247	847,509	-	28,041,756
Internal Service Fund	5,741,214	44,771	(43,470)	5,742,515
	<u>42,323,250</u>	<u>985,860</u>	<u>(43,470)</u>	<u>43,265,640</u>
Less: Accumulated Depreciation:				
Buildings and Improvements	(4,896,000)	(195,166)	-	(5,091,166)
Machinery and Equipment	(1,790,719)	(229,496)	-	(2,020,215)
Infrastructure	(9,903,901)	(887,335)	-	(10,791,236)
Internal Service Fund	(4,559,901)	(223,741)	388,903	(4,394,739)
	<u>(21,150,521)</u>	<u>(1,535,738)</u>	<u>388,903</u>	<u>(22,297,356)</u>
Governmental Activities Capital Assets, net	<u>\$ 22,429,257</u>	<u>\$ (549,878)</u>	<u>\$ 345,433</u>	<u>\$ 22,224,812</u>

Depreciation expense was charged to functions of the primary government as follows:

General Government	\$ 93,188
Public Safety	126,627
Public Works	918,642
Recreation and Cultural	115,840
Charged though Internal Service Funds	281,441
	<u>\$ 1,535,738</u>

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2019

III. DETAILED NOTES ON ALL FUNDS – Continued

B. Capital Assets – Continued

<u>Business-type Activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, being depreciated:				
Water and Sewer Mains	\$ 18,645,142	\$ 1,247,012	\$ -	\$ 19,892,154
Equipment	344,084	-	-	344,084
	<u>18,989,226</u>	<u>1,247,012</u>	<u>-</u>	<u>20,236,238</u>
Less: Accumulated Depreciation:				
Water and Sewer Mains	(7,904,086)	(525,000)	-	(8,429,086)
Equipment	(293,728)	-	-	(293,728)
	<u>(8,197,814)</u>	<u>(525,000)</u>	<u>-</u>	<u>(8,722,814)</u>
Business-type Activities Capital Assets, net	<u>\$ 10,791,412</u>	<u>\$ 722,012</u>	<u>\$ -</u>	<u>\$ 11,513,424</u>

<u>Component Units:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, not depreciated:				
Land	\$ 597,000	\$ -	\$ -	\$ 597,000
Capital Assets, being depreciated:				
Infrastructure	\$ 6,957,985	\$ -	\$ -	\$ 6,957,985
Buildings	1,926,945	-	-	1,926,945
Equipment	212,473	-	-	212,473
	<u>9,097,403</u>	<u>-</u>	<u>-</u>	<u>9,097,403</u>
Less: Accumulated Depreciation:				
Infrastructure	(5,024,660)	(205,587)	-	(5,230,247)
Buildings	(235,700)	(115,570)	-	(351,270)
Equipment	(83,284)	(12,555)	-	(95,839)
	<u>(5,343,644)</u>	<u>(333,712)</u>	<u>-</u>	<u>(5,677,356)</u>
Component Units Capital Assets, net	<u>\$ 4,350,759</u>	<u>\$ (333,712)</u>	<u>\$ -</u>	<u>\$ 4,017,047</u>

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2019

III. DETAILED NOTES ON ALL FUNDS – Continued

C. Interfund Receivables, Payables and Transfers

1. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2019, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Housing Commission Agency	\$ 80,000
Solid Waste Fund	General Fund	550,000
Property Tax Agency Fund	General Fund	29,175
		<u>\$ 659,175</u>

2. Interfund Transfers

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Recreation	General Fund	\$ 250,000
Neighborhood Services	General Fund	73,010
2014 Refunding GO Debt	General Fund	2,426
Local Street Fund	Major Street Fund	288,375
Recreation CIF	Recreation	4,000
		<u>\$ 617,811</u>

Transfers represent budgeted operating subsidies and funding for debt service, planned transfers between the Street Funds, and assistance with capital projects.

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2019

III. DETAILED NOTES ON ALL FUNDS – Continued

D. Long-Term Debt

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2019:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Balance</u> <u>Within 1 Year</u>
Governmental Activities:					
2008 GO Bonds	\$ 1,505,000	\$ -	\$ 385,000	\$ 1,120,000	\$ 1,120,000
2012 LTGO Bonds	4,455,000	-	220,000	4,235,000	210,000
2014 GO Refunding Bonds	<u>630,000</u>	-	<u>630,000</u>	<u>-</u>	<u>-</u>
Total Bonds	6,590,000	-	1,235,000	5,355,000	1,330,000
Installment Loans	<u>368,306</u>	<u>238,841</u>	<u>38,506</u>	<u>568,641</u>	<u>105,174</u>
	<u>\$ 6,958,306</u>	<u>\$ 238,841</u>	<u>\$ 1,273,506</u>	<u>\$ 5,923,641</u>	<u>\$ 1,435,174</u>
Business-type Activities:					
2015 Cap Imp Bonds	\$ 1,430,000	\$ -	\$ 195,000	\$ 1,235,000	\$ 195,000
2012 GO Refunding Bonds	<u>695,000</u>	-	<u>225,000</u>	<u>470,000</u>	<u>270,000</u>
	<u>\$ 2,125,000</u>	<u>\$ -</u>	<u>\$ 420,000</u>	<u>\$ 1,705,000</u>	<u>\$ 465,000</u>
Component Unit-DDA					
2015 Cap Imp Bonds	<u>\$ 1,365,000</u>	<u>\$ -</u>	<u>\$ 185,000</u>	<u>\$ 1,180,000</u>	<u>\$ 185,000</u>

The following is a summary of general obligation debt outstanding (excluding compensated absences) of the City as of June 30, 2019:

	<u>Number of</u> <u>Issues</u>	<u>Interest</u> <u>Rate (Coupon)</u>	<u>Maturing</u> <u>Through</u>	<u>Principal</u> <u>Outstanding</u>
Governmental Activities:				
Gen Obligation Bonds	2	1.43-4.75%	2024	\$ 5,355,000
Act 99 Installment Loans	3	2.75%	2024	<u>568,641</u>
Total Govt Activities				<u>\$ 5,923,641</u>
Business-type Activities:				
Gen Obligation Bonds	2	2.00-4.00%	2025	<u>\$ 1,705,000</u>
Component Unit-DDA				
Gen Obligation Bonds	1	4.00%	2025	<u>\$ 1,180,000</u>

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2019

III. DETAILED NOTES ON ALL FUNDS – Continued

D. Long-Term Debt – Continued

The annual debt service requirements to maturity for debt outstanding as of June 30, 2019 are as follows:

<u>Year Ended</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Component Unit-DDA</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 1,435,174	\$ 189,202	\$ 465,000	\$ 55,598	\$ 185,000	\$ 43,500
2021	1,103,233	134,063	265,000	42,198	190,000	36,000
2022	1,329,194	101,556	270,000	32,778	195,000	28,300
2023	1,027,723	61,807	275,000	23,050	200,000	20,400
2024	1,028,317	30,913	210,000	13,000	205,000	12,300
2025	-	-	220,000	4,400	205,000	4,100
	<u>\$ 5,923,641</u>	<u>\$ 517,541</u>	<u>\$ 1,705,000</u>	<u>\$ 171,024</u>	<u>\$ 1,180,000</u>	<u>\$ 144,600</u>

E. Property Taxes

Property taxes are assessed as of each December 31. The City tax levy is billed on July 1, and taxes are considered delinquent on March 1, at which time the applicable property is subject to lien and penalty and interest is assessed. The maximum authorized operating levy for the City is 15 mills prior to “rollback” required by State laws, and additional amounts for Solid Waste as provided by State law. The City also levies voter approved amounts for general obligation debt. The City's tax levy for the 2018 tax roll is as follows (tax rate per \$1,000 of assessed valuation):

	<u>Tax Rate</u>
General Operating	10.8782
Refuse	1.8200
General Obligation Debt	<u>2.8008</u>
Total	<u>15.4990</u>

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2019

IV. OTHER INFORMATION

A. Defined Benefit Pension Plan

Plan Description

The City participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees Retirement System of Michigan (MERS) that covers all full-time employees of the City. MERS was established as a statewide public employee pension plan by the Michigan Legislature under PA 135 of 1945 and is administered by a nine-member Retirement Board. MERS issues a publicly available financial report, which includes the financial statements and required supplemental information of this defined benefit plan. This report can be obtained at www.mersofmichigan.com or in writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917.

Benefits Provided

The Plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended established and amends the benefit provisions of the participants in MERS. There are three divisions, all closed to new hires.

Employees Covered by Benefit Terms

At the December 31, 2018 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently Receiving benefits	55
Inactive plan members entitled to but not yet receiving benefits	6
Active plan members	<u>0</u>
Total employees covered by MERS	<u>61</u>

Contributions

The State of Michigan Constitution, Article 9, Section 24, requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2019

IV. OTHER INFORMATION – Continued

A. Defined Benefit Pension Plan – Continued

Since the plan is closed to new members the City is required to make contributions in “flat amounts”. During the year the City made required contributions of \$739,128 and a voluntary contribution of \$200,000.

Net Pension Liability

The net pension liability reported at June 30, 2019 was determined using a measure of the total pension liability and the pension net position as of December 31, 2018. The December 31, 2018 total pension liability was determined by an actuarial valuation performed as of that date.

Changes in the net pension liability during the measurement year were as follows:

<u>Changes in Net Pension Liability</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>
Balance at December 31, 2017	\$ 15,974,219	\$ 9,200,839	\$ 6,773,380
Service Cost	-	-	-
Interest	1,216,144	-	1,216,144
Contributions-Employer	-	951,494	(951,494)
Contributions-Employee	-	-	-
Net Investment Income	-	(337,090)	337,090
Differences between expected and actual experience	123,281	-	123,281
Benefit Payments, including refunds	(1,544,857)	(1,544,857)	-
Administrative Expenses	-	(17,238)	17,238
Net Changes	<u>(205,432)</u>	<u>(947,691)</u>	<u>742,259</u>
Balance at December 31, 2018	<u>\$ 15,768,787</u>	<u>\$ 8,253,148</u>	<u>\$ 7,515,639</u>

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2019

IV. OTHER INFORMATION – Continued

A. Defined Benefit Pension Plan – Continued

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Source</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 623,599
Change in Assumptions	396,972	-
Employer contributions to the plan subsequent to the measurement date	<u>692,752</u>	<u>-</u>
Total	<u>\$ 1,089,724</u>	<u>\$ 623,599</u>

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date (\$692,752), which will impact the net pension liability in fiscal year 2020, rather than pension expense.

<u>Years Ending June 30</u>	<u>Amount</u>
2020	\$ (121,934)
2021	28,725
2022	(22,914)
2023	(110,504)

Actuarial Assumptions

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%	
Salary increases	3.75%	
Investment rate of return	7.75%	Gross of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 Healthy Annuitant Mortality Tables of a 50 percent male and 50 percent female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2019

IV. OTHER INFORMATION – Continued

A. Defined Benefit Pension Plan – Continued

Discount Rate

The discount rate used to measure the total pension liability was 8.00 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2018, the measurement date, for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global equity	58%	5.0%
Global fixed income	20%	2.2%
Real assets	12%	4.2%
Diversifying strategies	10%	6.6%

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2019

IV. OTHER INFORMATION – Continued

A. Defined Benefit Pension Plan – Continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 8.00 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent) or one percentage point higher (9.00 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Net Pension Liability of the City	\$ 8,815,767	\$ 7,515,639	\$ 6,385,806

B. Defined Contribution Plan

Plan Description

The City of Plymouth contributes to the City of Plymouth defined contribution plan, which is a defined contribution money purchase pension plan. The plan is administered by the ICMA Retirement Corporation (ICMA) who sponsors the prototype plan. Amendments are developed by ICMA and submitted to the City Commission for approval.

A defined contribution money purchase pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account. All employees hired on or after March 31, 1999 are eligible to participate in the plan. Contributions made by the City vest after five years; employee contributions vest immediately.

Contributions Required and Contributions Made

The City contributes 15% of gross pay for each eligible employee. During the year, the City's required and actual contributions amounted to \$578,660.

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2019

IV. OTHER INFORMATION – Continued

C. Other Postemployment Benefits

Plan Description

The City provides retiree healthcare benefits to eligible employees upon retirement in accordance with labor contracts.

Benefits Provided

The City provides medical, prescription drug, dental, and vision benefits for retirees and their spouses. Benefits are provided by a third-party insurer.

Employees Covered by Benefit Terms

At the July 1, 2018 valuation date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	59
Inactive plan members entitled to but not yet receiving benefits	0
Active Plan Members	<u>41</u>
Total	<u>100</u>

Contributions

Active service members are not required to make contributions to the plan. The City has no obligation to make contributions in advance but are being financed on a “pay-as-you-go” basis. At the fund level, the expense is recognized by the City as the payments to the employees are made.

Summary of Significant Accounting Policies

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB (if applicable), and OPEB expenses, have been determined on the same basis as they are reported for the City. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2019

IV. OTHER INFORMATION – Continued

C. Other Postemployment Benefits – Continued

Changes in Net OPEB Liability

The components of the change in the net OPEB liability are summarized as follows:

<u>Changes in Net OPEB Liability</u>	Increase (Decrease)		
	<u>Total OPEB Liability</u>	<u>Plan Net Position</u>	<u>Net OPEB Liability</u>
Balance at July 1, 2018	\$ 14,995,133	\$ -	\$ 14,995,133
Service Cost	284,513	-	284,513
Interest Cost	501,687	-	501,687
Employer Contributions	-	648,287	(648,287)
Benefit Payments	(648,287)	(648,287)	-
Net Changes	<u>137,913</u>	<u>-</u>	<u>137,913</u>
Balance at June 30, 2019	<u>\$ 15,133,046</u>	<u>\$ -</u>	<u>\$ 15,133,046</u>

Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the City recognized deferred inflows of resources as follows:

<u>Source</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual	
Change in Assumptions	\$ <u>310,948</u>

Amounts reported as deferred inflows of resources related to OPEB benefits will be recognized in subsequent years expense as follows:

<u>Years Ending June 30</u>	<u>Amount</u>
2020	\$ (225,324)
2021	(85,624)

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2019

IV. OTHER INFORMATION – Continued

C. Other Postemployment Benefits – Continued

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 2.64 percent, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (2.10%)	Current Discount Rate (3.10%)	1% Increase (4.10%)
	<u> </u>	<u> </u>	<u> </u>
Net OPEB Liability	\$ <u>16,607,820</u>	\$ <u>15,133,046</u>	\$ <u>12,698,672</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
	<u> </u>	<u> </u>	<u> </u>
Net OPEB Liability	\$ <u>13,522,250</u>	\$ <u>15,133,046</u>	\$ <u>17,765,204</u>

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2019

IV. OTHER INFORMATION – Continued

C. Other Postemployment Benefits – Continued

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2018. The following actuarial assumptions were applied:

Actuarial Cost Method	Entry-age normal
Discount Rate	3.10%
Inflation	2.50%
Salary Increases	3.75% including inflation
Investment Rate of Return	n/a
Retirement Age:	Nonunion: Hired prior to July 1, 1989: Age 60 with 10 years of service, Age 55 with 15 years, or or any age with 25 years of service. Hired on or after July 1, 1989 and before July 1, 2014: Age 55 with 15 years of service or any age with 25 years of service. Police: Hired prior to July 1, 2001: Age 50 with 20 years of service or any age with 25 years of service. Hired on or after July 1, 2001 and before July 1, 2017: Age 52 with 20 years of service or or any age with 25 years of service.
Mortality	RP-2014 Mortality Tables
Healthcare Trend Rate	17% of GDP, decreasing over a period of 5 to 10 years.

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2019

IV. OTHER INFORMATION – Continued

D. Risk Management

The City purchases insurance coverage through traditional means. The City's property and liability and workers compensation coverages are on file in the Risk Manager's office.

The City has contracted with Blue Cross and Blue Shield of Michigan to administer a self-funded health insurance program. Under the plan, the City pays a fixed administrative and reinsurance fee, and self-insures claims within plan limits. The plan has a \$60,000 specific stop-loss limit per insured (contract) per plan year (October 1 to September 30).

Claims in excess of the individual stop-loss or aggregate stop-loss limits are covered under the reinsurance coverage. Individual contracts are limited to \$5,000,000 per person per contract (lifetime). Commencing January 1, 2011 all lifetime limitations have been removed.

Changes in the balance of claim liability during the past year are as follows:

Unpaid claims at beginning of year	\$ 674,981
Incurred claims (including IBNRs)	711,585
Claims Paid	<u>(771,623)</u>
Unpaid claims, at end of year	<u>\$ 614,943</u>

E. Subsequent Event

In November 2019, the voters approved a ballot proposal for the City to levy a debt millage allowing the City to borrow up to \$12,280,000 in general obligation bonds to pay the cost of acquiring and constructing street improvements throughout the City. The first road debt millage will commence with the 2020 tax roll.

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2019

IV. OTHER INFORMATION – Continued

F. Upcoming Accounting Pronouncements

Fiduciary Activities

In January 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 84, *Fiduciary Activities*, which establishes specific criteria for identifying activities that should be reported as fiduciary activities. The City is currently evaluating the impact of this standard on its financial statements. The Statement is effective beginning with the City's fiscal year ending June 30, 2020.

Leases

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*, which requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. This Statement is based on the principle that leases are financings of the right to use an underlying asset. The City is currently evaluating the impact of this standard on its financial statements. The Statement is effective beginning with the City's fiscal year ending June 30, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PLYMOUTH
Required Supplemental Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Last Ten Fiscal Years (schedule is built prospectively upon implementation of GASB 68)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability:					
Service Cost	\$ -	\$ -	\$ -	\$ 6,213	\$ 6,541
Interest	1,216,144	1,232,243	1,241,442	1,237,027	620,584
Change in Assumptions	-	-	-	793,944	-
Change in Experience	123,281	105,749	159,894	(151,532)	-
Other Changes	-	-	-	-	642,952
Benefit payments, including refunds	(1,544,857)	(1,533,596)	(1,499,120)	(1,480,828)	(1,459,239)
Net Change in Total Pension Liability	<u>(205,432)</u>	<u>(195,604)</u>	<u>(97,784)</u>	<u>404,824</u>	<u>(189,162)</u>
Total Pension Liability, Beginning of year	<u>15,974,219</u>	<u>16,169,823</u>	<u>16,267,607</u>	<u>15,862,783</u>	<u>16,051,945</u>
Total Pension Liability, End of year	<u>\$ 15,768,787</u>	<u>\$ 15,974,219</u>	<u>\$ 16,169,823</u>	<u>\$ 16,267,607</u>	<u>\$ 15,862,783</u>
Plan Fiduciary Net Position:					
Contributions - Employer	\$ 951,494	\$ 1,164,214	\$ 1,324,818	\$ 1,444,796	\$ 1,423,876
Contributions - Employee	-	-	-	-	-
Net Investment Income	(337,090)	1,101,381	874,780	(117,516)	468,230
Administrative Expenses	(17,238)	(17,470)	(17,267)	(17,213)	(17,309)
Benefit payments, including refunds	(1,544,857)	(1,533,596)	(1,499,120)	(1,480,828)	(1,459,239)
Net Change in Plan Fiduciary Net Position	<u>(947,691)</u>	<u>714,529</u>	<u>683,211</u>	<u>(170,761)</u>	<u>415,558</u>
Plan Fiduciary Net Position, Beg. of year	<u>9,200,839</u>	<u>8,486,310</u>	<u>7,803,099</u>	<u>7,973,860</u>	<u>7,558,302</u>
Plan Fiduciary Net Position, End of year	<u>\$ 8,253,148</u>	<u>\$ 9,200,839</u>	<u>\$ 8,486,310</u>	<u>\$ 7,803,099</u>	<u>\$ 7,973,860</u>
City's Net Pension Liability - Ending	<u>\$ 7,515,639</u>	<u>\$ 6,773,380</u>	<u>\$ 7,683,513</u>	<u>\$ 8,464,508</u>	<u>\$ 7,888,923</u>
Plan Fiduciary Net Position as a Percent of Total Pension Liability	52.3%	57.6%	52.5%	48.0%	50.3%
Covered Employee Payroll	\$ -	\$ -	\$ -	\$ 63,988	\$ 67,366
City's Net Pension Liability as a Percent of Covered Employee Payroll	n/a	n/a	n/a	13228%	11711%

CITY OF PLYMOUTH
Required Supplemental Information
Schedule of City Pension Contributions-MERS
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 739,128	\$ 763,860	\$ 1,365,298	\$ 1,377,112	\$ 1,105,528	\$ 943,224	\$ 812,726	\$ 727,189	\$ 664,032	\$ 569,483
Contributions in relation to the actuarially determined contribution	\$ 939,128	\$ 963,860	\$ 1,365,298	\$ 1,527,112	\$ 1,105,528	\$ 943,224	\$ 812,726	\$ 727,189	\$ 664,032	\$ 569,483
Contribution Excess (Deficiency)	\$ 200,000	\$ 200,000	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ -	\$ -	\$ -	\$ 63,988	\$ 161,704	\$ 156,984	\$ 161,326	\$ 245,093	\$ 241,710	\$ 255,329
Contributions as a Percentage of Covered Employee Payroll	n/a	n/a	n/a	2386.6%	683.7%	600.8%	503.8%	296.7%	274.7%	223.0%

Actuarial valuation information relative to the determination of contributions:
Actuarially determined contribution rates are calculated as of December 31 each year, which is 18 months prior to the beginning of the fiscal year in which the contributions are required.

Methods and assumptions used to determine contribution rates:
Actuarial Cost Method Entry age normal cost

Amortization Method Level percent

Remaining Amortization Period 10 years

Asset Valuation Method 5-year smoothed market

Inflation 2.50%

Projected Salary Increases 3.75% including inflation

Investment Rate of Return 7.75%

Retirement Age Experience based tables of rates that are specific to the type of eligibility condition.

Mortality 50% Male - 50% Female blend of the RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%; RP-2014 Employee Mortality Tables; and RP-2014 Juvenile Mortality Tables

CITY OF PLYMOUTH
Required Supplemental Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
Last Ten Fiscal Years (schedule is built prospectively upon implementation of GASB 75)

	<u>2019</u>	<u>2018</u>
Total OPEB Liability:		
Service Cost	\$ 284,513	\$ 261,172
Interest	501,687	473,847
Change in Assumptions	-	(761,596)
Benefit payments, including refunds	<u>(648,287)</u>	<u>(527,324)</u>
Net Change in Total Pension Liability	137,913	(553,901)
 Total OPEB Liability, Beginning of year	 <u>14,995,133</u>	 <u>15,549,034</u>
 Total OPEB Liability, End of year	 <u>\$ 15,133,046</u>	 <u>\$ 14,995,133</u>
 Plan Fiduciary Net Position:		
Contributions - Employer	\$ 648,287	\$ 527,324
Benefit Payments	<u>(648,287)</u>	<u>(527,324)</u>
Net Change in Plan Fiduciary Net Position	-	-
 Plan Fiduciary Net Position, Beginning of year	 <u>-</u>	 <u>-</u>
 Plan Fiduciary Net Position, End of year	 <u>\$ -</u>	 <u>\$ -</u>
 City's Net OPEB Liability - Ending	 <u>\$ 15,133,046</u>	 <u>\$ 14,995,133</u>
 Plan Fiduciary Net Position as a Percent of Total OPEB Liability	 0.0%	 0.0%
 Covered Employee Payroll	 n/a	 n/a
 City's Net OPEB Liability as a Percent of Covered Employee Payroll	 n/a	 n/a

CITY OF PLYMOUTH
Required Supplemental Information
Schedule of City OPEB Contributions
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 590,263	\$ 539,082	\$ 926,180	\$ 926,180	\$ 926,180	\$ 559,045	\$ 563,936	\$ 562,750	\$ 1,216,268
Contributions in relation to the actuarially determined contribution	648,287	527,324	641,891	516,636	603,717	464,812	678,880	610,554	523,152
Contribution Deficiency (Excess)	<u>\$ (58,024)</u>	<u>\$ 11,758</u>	<u>\$ 284,289</u>	<u>\$ 409,544</u>	<u>\$ 322,463</u>	<u>\$ 94,233</u>	<u>\$ (114,944)</u>	<u>\$ (47,804)</u>	<u>\$ 693,116</u>
Covered Employee Payroll	\$ 2,967,630	3,226,054	3,206,966	n/a	n/a	n/a	n/a	n/a	n/a
Contributions as a Percentage of Covered Employee Payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Actuarial valuation information relative to the determination of contributions:
Actuarially determined contribution rates are calculated as of July 1 each year.

Methods and assumptions used to determine contribution rates:
Actuarial Cost Method: Entry-age normal
Amortization Method: Level percentage of payroll
Asset Valuation Method: Market value
Discount Rate: 3.10%
Inflation: 2.50%
Salary Increases: 3.75% including inflation
Investment Rate of Return: n/a
Retirement Age: Nonunion:

Hired prior to July 1, 1989: Age 60 with 10 years of service, Age 55 with 15 years, or or any age with 25 years of service.
Hired on or after July 1, 1989 and before July 1, 2014, Age 55 with 15 years of service or any age with 25 years of service.
Police:

Hired prior to July 1, 2001: Age 50 with 20 years of service or any age with 25 years of service.
Hired on or after July 1, 2001 and before July 1, 2017: Age 52 with 20 years of service or or any age with 25 years of service.
50% Male - 50% Female blend of the RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%. RP-2014 Employee Mortality Tables; and RP-2014 Juvenile Mortality Tables
17% of GDP, decreasing over a period of 5 to 10 years.

Mortality

Healthcare Trend Rate

CITY OF PLYMOUTH
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property Taxes	\$ 5,856,890	\$ 5,829,440	\$ 5,837,277	\$ 7,837
Licenses and Permits	5,100	5,100	4,172	(928)
Intergovernmental - State	926,810	1,099,695	1,118,082	18,387
Intergovernmental - Federal	30,560	1,000	-	(1,000)
Charges for Services	1,007,750	1,009,250	1,025,450	16,200
Interest Earnings	50	70,050	74,024	3,974
Other Revenues	689,730	1,849,480	1,219,416	(630,064)
Total Revenues	<u>8,516,890</u>	<u>9,864,015</u>	<u>9,278,421</u>	<u>(585,594)</u>
Expenditures:				
General Government:				
City Commission	83,240	126,019	121,884	4,135
City Manager	304,230	325,134	301,221	23,913
Attorney	112,300	115,470	113,008	2,462
Finance	637,880	674,337	517,818	156,519
Clerk/Elections	245,660	207,700	202,233	5,467
Assessing	86,780	81,137	60,835	20,302
Management Information Services	262,520	266,540	253,103	13,437
Cemetery	144,420	147,077	123,566	23,511
	<u>1,877,030</u>	<u>1,943,414</u>	<u>1,693,668</u>	<u>249,746</u>
Public Safety:				
Police	3,682,970	3,700,030	3,565,477	134,553
Fire	1,029,150	2,270,100	2,223,679	46,421
	<u>4,712,120</u>	<u>5,970,130</u>	<u>5,789,156</u>	<u>180,974</u>
Public Works:				
Municipal Services Administration	224,010	263,209	229,167	34,042
City Hall Maintenance	105,240	106,593	102,640	3,953
Parks and Public Property	165,680	174,210	157,764	16,446
Municipal Services Yard Maintenance	64,450	103,574	98,293	5,281
Street Services	155,000	155,000	145,167	9,833
Miscellaneous MSD Services	3,460	2,971	894	2,077
Special Events	168,570	186,120	117,940	68,180
Parking	49,180	46,870	29,605	17,265
MSD Services--DDA	127,570	134,025	136,155	(2,130)
	<u>1,063,160</u>	<u>1,172,572</u>	<u>1,017,625</u>	<u>154,947</u>
Other	423,980	332,514	249,989	82,525
Capital Outlay	167,590	119,875	163,430	(43,555)
Total Expenditures	<u>8,243,880</u>	<u>9,538,505</u>	<u>8,913,868</u>	<u>624,637</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>273,010</u>	<u>325,510</u>	<u>364,553</u>	<u>39,043</u>
Other Financing Sources (Uses):				
Operating Transfers Out	(273,010)	(325,510)	(325,436)	74
Total Other Financing Sources (Uses)	<u>(273,010)</u>	<u>(325,510)</u>	<u>(325,436)</u>	<u>74</u>
Net Change in Fund Balance	-	-	39,117	39,117
Fund Balance - Beginning	<u>1,944,084</u>	<u>1,944,084</u>	<u>1,944,084</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,944,084</u>	<u>\$ 1,944,084</u>	<u>\$ 1,983,201</u>	<u>\$ 39,117</u>

OTHER SUPPLEMENTARY INFORMATION

CITY OF PLYMOUTH
Combining Balance Sheet
Non Major Governmental Funds
June 30, 2019

	Special Revenue	Debt Service	Capital Projects	Permanent Funds Cemetery Care	Total Nonmajor Governmental Funds
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 2,142,958	\$ 73,375	\$ 35,619	\$ 518,389	\$ 2,770,341
Investments	-	-	-	65,663	65,663
Accounts Receivable	197,208	-	-	2,424	199,632
Due from Other Funds	550,000	-	-	-	550,000
Due from Other Governmental Units	200,361	-	-	-	200,361
Inventory	48,973	-	-	-	48,973
Total Assets	\$ 3,139,500	\$ 73,375	\$ 35,619	\$ 586,476	\$ 3,834,970
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts Payable	\$ 376,618	\$ -	\$ -	\$ -	\$ 376,618
Accrued and Other Liabilities	52,693	-	-	-	52,693
Total Liabilities	429,311	-	-	-	429,311
Fund Balance:					
Non Spendable-Inventory	48,973	-	-	-	48,973
Restricted	2,569,048	73,375	35,619	586,476	3,264,518
Committed	92,168	-	-	-	92,168
Total Fund Balance	2,710,189	73,375	35,619	586,476	3,405,659
Total Liabilities and Fund Balance	\$ 3,139,500	\$ 73,375	\$ 35,619	\$ 586,476	\$ 3,834,970

CITY OF PLYMOUTH
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non Major Governmental Funds
For the Year Ended June 30, 2019

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent Funds Cemetery Care</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:					
Property Taxes	\$ 924,284	\$ 1,425,246	\$ -	\$ -	\$ 2,349,530
Licenses and Permits	404,396	-	-	-	404,396
Intergovernmental	1,042,083	62,824	15,245	-	1,120,152
Charges for Services	1,291,128	-	-	8,500	1,299,628
Interest	36,213	5,731	83	-	42,027
Other	36,375	-	1,529	-	37,904
Total Revenues	<u>3,734,479</u>	<u>1,493,801</u>	<u>16,857</u>	<u>8,500</u>	<u>5,253,637</u>
Expenditures:					
Public Safety	598,125	-	-	-	598,125
Public Works	2,573,496	-	-	-	2,573,496
Recreation and Cultural	1,181,200	-	-	-	1,181,200
Debt Service:					
Principal	-	1,235,000	-	-	1,235,000
Interest and Other Charges	-	204,877	-	-	204,877
Capital Outlay	-	-	44,578	-	44,578
Total Expenditures	<u>4,352,821</u>	<u>1,439,877</u>	<u>44,578</u>	<u>-</u>	<u>5,837,276</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(618,342)</u>	<u>53,924</u>	<u>(27,721)</u>	<u>8,500</u>	<u>(583,639)</u>
Other Financing Sources (Uses):					
Operating Transfers In	611,385	2,426	4,000	-	617,811
Operating Transfers Out	<u>(292,375)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(292,375)</u>
Total Other Financing Sources (Uses)	<u>319,010</u>	<u>2,426</u>	<u>4,000</u>	<u>-</u>	<u>325,436</u>
Net Change in Fund Balances	(299,332)	56,350	(23,721)	8,500	(258,203)
Fund Balance, July 1	<u>3,009,521</u>	<u>17,025</u>	<u>59,340</u>	<u>577,976</u>	<u>3,663,862</u>
Fund Balance, June 30	<u>\$ 2,710,189</u>	<u>\$ 73,375</u>	<u>\$ 35,619</u>	<u>\$ 586,476</u>	<u>\$ 3,405,659</u>

CITY OF PLYMOUTH
Non Major Special Revenue Funds
Combining Balance Sheet
June 30, 2019

	<u>Major Street</u>	<u>Local Street</u>	<u>Recreation</u>	<u>Solid Waste</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 1,210,301	\$ 223,690	\$ 137,521	\$ 342,370
Accounts Receivable	1,235	-	189	104,049
Due from Other Funds	-	-	-	550,000
Due From Other Governmental Units	137,120	41,197	11,925	801
Inventory	<u>21,797</u>	<u>23,157</u>	<u>2,322</u>	<u>1,697</u>
Total Assets	<u>\$ 1,370,453</u>	<u>\$ 288,044</u>	<u>\$ 151,957</u>	<u>\$ 998,917</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts Payable	\$ 131,393	\$ 95,502	\$ 23,486	\$ 82,524
Accrued and Other Liabilities	1,169	1,224	5,268	3,754
Total Liabilities	<u>132,562</u>	<u>96,726</u>	<u>28,754</u>	<u>86,278</u>
Fund Balance:				
Non Spendable-Inventory	21,797	23,157	2,322	1,697
Restricted	1,216,094	168,161	120,881	910,942
Committed	-	-	-	-
Total Fund Balance	<u>1,237,891</u>	<u>191,318</u>	<u>123,203</u>	<u>912,639</u>
Total Liabilities and Fund Balance	<u>\$ 1,370,453</u>	<u>\$ 288,044</u>	<u>\$ 151,957</u>	<u>\$ 998,917</u>

<u>Parking</u>	<u>Neighborhood Services</u>	<u>Building</u>	<u>Drug Enforcement</u>	<u>OVI Forfeiture</u>	<u>Omnibus Forfeiture</u>	<u>Total</u>
\$ 92,168	\$ 41,762	\$ 64,851	\$ 1,129	\$ 27,646	\$ 1,520	\$ 2,142,958
-	8,960	82,775	-	-	-	197,208
-	-	-	-	-	-	550,000
-	4,343	4,975	-	-	-	200,361
-	-	-	-	-	-	48,973
<u>\$ 92,168</u>	<u>\$ 55,065</u>	<u>\$ 152,601</u>	<u>\$ 1,129</u>	<u>\$ 27,646</u>	<u>\$ 1,520</u>	<u>\$ 3,139,500</u>
\$ -	\$ 10,619	\$ 33,074	\$ -	\$ 20	\$ -	\$ 376,618
-	-	41,278	-	-	-	52,693
-	10,619	74,352	-	20	-	429,311
-	-	-	-	-	-	48,973
-	44,446	78,249	1,129	27,626	1,520	2,569,048
92,168	-	-	-	-	-	92,168
<u>92,168</u>	<u>44,446</u>	<u>78,249</u>	<u>1,129</u>	<u>27,626</u>	<u>1,520</u>	<u>2,710,189</u>
<u>\$ 92,168</u>	<u>\$ 55,065</u>	<u>\$ 152,601</u>	<u>\$ 1,129</u>	<u>\$ 27,646</u>	<u>\$ 1,520</u>	<u>\$ 3,139,500</u>

CITY OF PLYMOUTH
Non Major Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2019

	<u>Major Street</u>	<u>Local Street</u>	<u>Recreation Fund</u>	<u>Solid Waste</u>
<u>Revenues:</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ 924,284
Licenses and Permits	-	-	-	-
Intergovernmental	653,392	333,802	-	40,122
Charges for Services	-	-	866,007	386,273
Interest	15,993	1	2,767	12,231
Other	-	27,818	-	1,200
Total Revenues	<u>669,385</u>	<u>361,621</u>	<u>868,774</u>	<u>1,364,110</u>
<u>Expenditures:</u>				
Public Safety	-	-	-	-
Public Works	512,799	758,013	-	1,302,684
Recreation and Cultural	-	-	1,095,057	-
Total Expenditures	<u>512,799</u>	<u>758,013</u>	<u>1,095,057</u>	<u>1,302,684</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>156,586</u>	<u>(396,392)</u>	<u>(226,283)</u>	<u>61,426</u>
<u>Other Financing Sources (Uses):</u>				
Operating Transfers In	-	288,375	250,000	-
Operating Transfers Out	(288,375)	-	(4,000)	-
Total Other Financing Sources (Uses)	<u>(288,375)</u>	<u>288,375</u>	<u>246,000</u>	<u>-</u>
Net Change in Fund Balance	(131,789)	(108,017)	19,717	61,426
Fund Balance, July 1	<u>1,369,680</u>	<u>299,335</u>	<u>103,486</u>	<u>851,213</u>
Fund Balance, June 30	<u>\$ 1,237,891</u>	<u>\$ 191,318</u>	<u>\$ 123,203</u>	<u>\$ 912,639</u>

<u>Parking</u>	<u>Neighborhood Services</u>	<u>Building</u>	<u>Drug Enforcement</u>	<u>OWI Forfeiture</u>	<u>Omnibus Forfeiture</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 924,284
-	-	404,396	-	-	-	404,396
-	10,737	4,030	-	-	-	1,042,083
-	-	33,468	870	4,510	-	1,291,128
792	-	4,369	3	57	-	36,213
-	-	3,037	900	3,420	-	36,375
<u>792</u>	<u>10,737</u>	<u>449,300</u>	<u>1,773</u>	<u>7,987</u>	<u>-</u>	<u>3,734,479</u>
-	-	583,143	723	12,959	1,300	598,125
-	-	-	-	-	-	2,573,496
-	86,143	-	-	-	-	1,181,200
<u>-</u>	<u>86,143</u>	<u>583,143</u>	<u>723</u>	<u>12,959</u>	<u>1,300</u>	<u>4,352,821</u>
<u>792</u>	<u>(75,406)</u>	<u>(133,843)</u>	<u>1,050</u>	<u>(4,972)</u>	<u>(1,300)</u>	<u>(618,342)</u>
-	73,010	-	-	-	-	611,385
-	-	-	-	-	-	(292,375)
<u>-</u>	<u>73,010</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>319,010</u>
792	(2,396)	(133,843)	1,050	(4,972)	(1,300)	(299,332)
<u>91,376</u>	<u>46,842</u>	<u>212,092</u>	<u>79</u>	<u>32,598</u>	<u>2,820</u>	<u>3,009,521</u>
<u>\$ 92,168</u>	<u>\$ 44,446</u>	<u>\$ 78,249</u>	<u>\$ 1,129</u>	<u>\$ 27,626</u>	<u>\$ 1,520</u>	<u>\$ 2,710,189</u>

CITY OF PLYMOUTH
Non Major Debt Service Funds
Combining Balance Sheet
June 30, 2019

	<u>2008</u> <u>General</u> <u>Obligation</u>	<u>2012</u> <u>Refunding</u> <u>GO Debt</u>	<u>2014</u> <u>Refunding</u> <u>GO Debt</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 38,535	\$ 18,033	\$ 16,807	\$ 73,375
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities	\$ -	\$ -	\$ -	\$ -
Fund Balance:				
Restricted - Debt Service	38,535	18,033	16,807	73,375
Total Liabilities and Fund Balance	\$ 38,535	\$ 18,033	\$ 16,807	\$ 73,375

CITY OF PLYMOUTH
Non Major Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2019

	2008	2012	2014	
	General	Refunding	Refunding	Total
	Obligation	GO Debt	GO Debt	
Revenues:				
Property Taxes	\$ 444,750	\$ 351,694	\$ 628,802	\$ 1,425,246
Intergovernmental	34,184	15,193	13,447	62,824
Interest Income	1,770	1,298	2,663	5,731
Total Revenues	<u>480,704</u>	<u>368,185</u>	<u>644,912</u>	<u>1,493,801</u>
Expenditures:				
Debt Service:				
Principal Retirement	385,000	220,000	630,000	1,235,000
Interest and Fiscal Charges	58,617	136,250	10,010	204,877
Total Expenses	<u>443,617</u>	<u>356,250</u>	<u>640,010</u>	<u>1,439,877</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>37,087</u>	<u>11,935</u>	<u>4,902</u>	<u>53,924</u>
Other Financing Sources (Uses):				
Operating Transfers In	-	-	2,426	2,426
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,426</u>	<u>2,426</u>
Net Change in Fund Balance	37,087	11,935	7,328	56,350
Fund Balance, July 1	<u>1,448</u>	<u>6,098</u>	<u>9,479</u>	<u>17,025</u>
Fund Balance, June 30	<u>\$ 38,535</u>	<u>\$ 18,033</u>	<u>\$ 16,807</u>	<u>\$ 73,375</u>

CITY OF PLYMOUTH
Non Major Capital Project Funds
Combining Balance Sheet
For the Year Ended June 30, 2019

	Recreation Capital Improvement	Public Improvement	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 12,980	\$ 22,639	\$ 35,619
Due from Other Governmental Units	-	-	-
	<u>\$ 12,980</u>	<u>\$ 22,639</u>	<u>\$ 35,619</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ -
Fund Balance:			
Restricted - Construction	<u>12,980</u>	<u>22,639</u>	<u>35,619</u>
Total Liabilities and Fund Balance	<u>\$ 12,980</u>	<u>\$ 22,639</u>	<u>\$ 35,619</u>

CITY OF PLYMOUTH
Non Major Capital Project Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2019

	Recreation Capital Improvement	Public Improvement	Total
<u>Revenues:</u>			
Intergovernmental	\$ 15,245	\$ -	\$ 15,245
Interest	-	83	83
Other	<u>1,529</u>	<u>-</u>	<u>1,529</u>
Total Revenues	<u>16,774</u>	<u>83</u>	<u>16,857</u>
 <u>Expenditures:</u>			
Construction	<u>44,578</u>	<u>-</u>	<u>44,578</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(27,804)</u>	<u>83</u>	<u>(27,721)</u>
 <u>Other Financing Sources:</u>			
Operating Transfers In	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Total Other Financing Sources	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Net Change in Fund Balance	(23,804)	83	(23,721)
Fund Balance - July 1	<u>36,784</u>	<u>22,556</u>	<u>59,340</u>
Fund Balance - June 30	<u>\$ 12,980</u>	<u>\$ 22,639</u>	<u>\$ 35,619</u>

