

**CITY OF PLYMOUTH
Wayne County, Michigan**

AUDITED FINANCIAL REPORT

**For the Fiscal Year Ended
June 30, 2021**

CITY OF PLYMOUTH
For the Year Ended June 30, 2020

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For the Year Ended June 30, 2020

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FINANCIAL SECTION

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Independent Auditor's Report

December 20, 2021

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, 2021, 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, 2021, 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



CITY OF PLYMOUTH

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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, 2021.

Financial Highlights

- The assets of the City of Plymouth exceeded its liabilities at the close of the most recent fiscal year by \$18,738,667 (*net position*).
- As of the close of the current fiscal year, the City of Plymouth's governmental funds reported combined ending fund balances of \$12,374,197, a decrease of \$400,104 in comparison with the prior year. Approximately 29% of this total amount, \$3,546,647 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 \$3,773,582, an increase of \$752,034 over the prior year, and approximately 47% of total general fund expenditures.
- The City of Plymouth's total long-term debt decreased \$1,519,664 during the fiscal year as the City added an installment note payable for a new fire vehicle in the amount of \$582,357 during fiscal year 2021 less annual debt service payments.

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 \$18,738,667 at the close of the most recent fiscal year.

By far the largest portion of the City of Plymouth's net position (155%) 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	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 15,233,159	\$ 15,460,528	\$ 5,106,442	\$ 6,376,358	\$ 20,339,601	\$ 21,836,886
Capital Assets	23,690,517	22,448,239	11,638,147	11,378,795	35,328,664	33,827,034
Total Assets	<u>38,923,676</u>	<u>37,908,767</u>	<u>16,744,589</u>	<u>17,755,153</u>	<u>55,668,265</u>	<u>55,663,920</u>
Deferred Outflows	<u>2,988,706</u>	<u>2,590,935</u>	<u>16,807</u>	<u>26,167</u>	<u>3,005,513</u>	<u>2,617,102</u>
Long-term liabilities	35,330,982	36,975,144	975,000	1,240,000	36,305,982	38,215,144
Other liabilities	<u>2,144,546</u>	<u>1,879,907</u>	<u>439,602</u>	<u>841,990</u>	<u>2,584,148</u>	<u>2,721,897</u>
Total Liabilities	<u>37,475,528</u>	<u>38,855,051</u>	<u>1,414,602</u>	<u>2,081,990</u>	<u>38,890,130</u>	<u>40,937,041</u>
Deferred Inflows	<u>945,641</u>	<u>868,112</u>	<u>99,340</u>	<u>124,175</u>	<u>1,044,981</u>	<u>992,287</u>
Net Position:						
Net Investment						
in capital assets	18,470,538	17,105,392	10,580,614	10,040,787	29,051,152	27,146,179
Restricted	4,064,250	9,576,347	12,275	124,417	4,076,525	9,700,764
Unrestricted (Deficit)	<u>(19,043,575)</u>	<u>(25,905,200)</u>	<u>4,654,565</u>	<u>5,409,951</u>	<u>(14,389,010)</u>	<u>(20,495,249)</u>
Total Net Position	<u>\$ 3,491,213</u>	<u>\$ 776,539</u>	<u>\$ 15,247,454</u>	<u>\$ 15,575,155</u>	<u>\$ 18,738,667</u>	<u>\$ 16,351,694</u>

An additional portion of the City of Plymouth's net position \$4,076,525 represents resources that are subject to external restrictions on how they may be used.

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Program Revenues:						
Charges for Services	\$ 3,195,165	\$ 2,800,150	\$ 4,467,334	\$ 4,357,880	\$ 7,662,499	\$ 7,158,030
Operating Grants & Contrib.	1,560,184	1,699,698	-	-	1,560,184	1,699,698
Capital Grants & Contrib.	-	15,491	-	-	-	15,491
General Revenues:						
Property Taxes	9,169,715	8,977,583	-	-	9,169,715	8,977,583
State Shared Revenues	951,974	940,260	-	-	951,974	940,260
Franchise Fees	211,689	219,427	-	-	211,689	219,427
Investment Earnings	29,583	114,318	9,105	77,627	38,688	191,945
Total Revenues	<u>15,118,310</u>	<u>14,766,927</u>	<u>4,476,439</u>	<u>4,435,507</u>	<u>19,594,749</u>	<u>19,202,434</u>
Program Expenses:						
General Government	1,515,047	2,144,213	-	-	1,515,047	2,144,213
Public Safety	5,358,581	5,859,887	-	-	5,358,581	5,859,887
Public Works	3,678,677	3,554,619	-	-	3,678,677	3,554,619
Recreation and Cultural	1,105,379	1,306,303	-	-	1,105,379	1,306,303
Other	291,328	288,752	-	-	291,328	288,752
Interest on Long-Term Debt	454,624	210,233	-	-	454,624	210,233
Water and Sewer	-	-	4,804,140	4,436,592	4,804,140	4,436,592
Total Expenses	<u>12,403,636</u>	<u>13,364,007</u>	<u>4,804,140</u>	<u>4,436,592</u>	<u>17,207,776</u>	<u>17,800,599</u>
Change in Net Position	<u>\$ 2,714,674</u>	<u>\$ 1,402,920</u>	<u>\$ (327,701)</u>	<u>\$ (1,085)</u>	<u>\$ 2,386,973</u>	<u>\$ 1,401,835</u>

Governmental activities. Governmental activities increased the City of Plymouth's net position by \$2,714,674.

Business-type activities. Business-type activities decreased the City of Plymouth's net position by \$327,701. The City's only business-type activity, the water and sewer fund, has demonstrated improvement for the past eight 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 \$12,374,197, a decrease of \$400,004 in comparison with the prior 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 \$4,654,565. The decrease in net position was \$327,701 compared to a decrease of \$1,085 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.

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, 2021, amounts to \$35,328,664 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads and highways.

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.

Long-term debt. At the end of the current fiscal year, the City of Plymouth had total bonded and installment debt outstanding of \$10,556,803 in addition to \$805,000 of debt obligations from the DDA, all of which comprises debt backed by the full faith and credit of the government. The City made annual debt service payments of \$2,102,021 and \$190,000 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

Despite real volatility stemming from the Coronavirus Pandemic and its economic impact during the 2020-21 fiscal year, the overall financial health of the City remains stable. In June of 2021, the City Commission adopted \$9,992,371 General Fund budget, which included \$311,500 in Capital Improvements and \$638,350 in transfers to other funds that were greatly affected by the aforementioned pandemic.

In March of 2021, the United States Congress passed the American Rescue Plan Act of 2021. This included an award of \$958,136 for the City of Plymouth to be paid over the next two fiscal years. Additionally, in September of 2021, the Michigan Legislature passed the state budget, which included a \$250,000 award to assist with much-needed capital projects at the City's Cultural Center. These additional funds will not only assist in making sure that the City to continue to provide its high level of services, but also confront new challenges presented by a rapidly changing economy.

The City of Plymouth continues to be fortunate to have a strong and growing housing market. Even with a shortage of developable land, taxable values in the City grew at a rate of 4.1% 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 1.4% 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 10.5788 in 2020 to 10.4592 in 2021. This is a reduction of .1196 mills and an overall decrease of .9242 mills from the maximum rate of 11.3834 mills, which had existed for period of 10 consecutive years ending in 2015. Since then, the City has experienced seven consecutive years of Headlee rollbacks.

The waste and recycling operating millage rate held steady at 1.8200 mills and the City's general obligation debt millage rate decreased slightly from 3.1100 mills to 2.7900 mills, due to increases in taxable values. The GO (General Obligation) debt millage is based on the service requirements from the sale of street bonds in 2012 and 2020.

Staff recommendations for service charges and utility rates beginning July 1, 2021, include freezing the trash cart service fees at \$10.25 per month, which was implemented on January 1, 2020, after the approval of the City's new waste and recycling contract. Water usage charges increased from \$5.35 per thousand gallons, to \$5.71 per thousand gallons, while sewer charges remained stable at \$7.37 per thousand gallons. All fee increases were adopted by the City Commission as proposed.

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, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 13,782,120	\$ 3,753,932	\$ 17,536,052	\$ 2,060,006
Investments	69,828	-	69,828	-
Receivables (net of allowance for uncollectibles)	267,675	1,213,453	1,481,128	284,400
Due from Other Funds	520,000	-	520,000	-
Due from Primary Government	-	-	-	10,824
Due from Other Governmental Units	496,164	-	496,164	-
Inventory	97,372	126,782	224,154	-
Prepaid Expenses	-	-	-	-
Restricted Assets - Cash and Cash Equivalents	-	12,275	12,275	-
Capital Assets (Net of Accumulated Depreciation)	23,690,517	11,638,147	35,328,664	3,635,093
Total Assets	<u>38,923,676</u>	<u>16,744,589</u>	<u>55,668,265</u>	<u>5,990,323</u>
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized Bond Discount	-	16,807	16,807	-
Deferral related to Pension and OPEB	2,988,706	-	2,988,706	-
	<u>2,988,706</u>	<u>16,807</u>	<u>3,005,513</u>	<u>-</u>
LIABILITIES				
Accounts Payable	671,087	410,172	1,081,259	418,298
Accrued Liabilities	722,655	29,430	752,085	52,814
Due to Other Funds	440,000	-	440,000	-
Due to Component Unit	10,824	-	10,824	-
Due to Other Governmental Units	299,980	-	299,980	-
Noncurrent Liabilities:				
Compensated Absences	346,552	-	346,552	-
Other Post Employment Benefits (OPEB)	18,922,376	-	18,922,376	-
Net Pension Liability	6,480,251	-	6,480,251	-
Due within one year	1,945,577	270,000	2,215,577	195,000
Due in more than one year	7,636,226	705,000	8,341,226	610,000
Total Liabilities	<u>37,475,528</u>	<u>1,414,602</u>	<u>38,890,130</u>	<u>1,276,112</u>
DEFERRED INFLOW OF RESOURCES				
Deferral related to Pension and OPEB	284,110	-	284,110	-
Unamortized Bond Premium	661,531	99,340	760,871	76,695
	<u>945,641</u>	<u>99,340</u>	<u>1,044,981</u>	<u>76,695</u>
NET POSITION				
Net Investment in Capital Assets	18,470,538	10,580,614	29,051,152	2,830,093
Restricted for:				
Capital Projects	161,588	12,275	173,863	-
Debt Service	210,596	-	210,596	-
Special Revenue	3,080,990	-	3,080,990	-
Other	611,076	-	611,076	-
Unrestricted (Deficit)	(19,043,575)	4,654,565	(14,389,010)	1,807,423
Total Net Position	<u>\$ 3,491,213</u>	<u>\$ 15,247,454</u>	<u>\$ 18,738,667</u>	<u>\$ 4,637,516</u>

CITY OF PLYMOUTH
Statement of Activities
For the Year Ended June 30, 2021

<u>Functions/Programs</u>	Program Revenues			
<u>Primary Government:</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
General Government	\$ 1,515,047	\$ 1,523,489	\$ 550,341	\$ -
Public Safety	5,358,581	625,361	58,221	-
Public Works	3,678,677	519,787	951,622	-
Recreation and Cultural	1,105,379	526,528	-	-
Other	291,328	-	-	-
Interest on Long-Term Debt	454,624	-	-	-
Total Governmental Activities	12,403,636	3,195,165	1,560,184	-
Business-type Activities:				
Water and Sewer	4,804,140	4,467,334	-	-
Total Primary Government	\$ 17,207,776	\$ 7,662,499	\$ 1,560,184	\$ -
Component Units:				
D.D.A./B.R.A./E.D.C.	\$ 1,408,671	\$ 47,342	\$ 322,034	\$ -

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
\$ 558,783	\$ -	\$ 558,783	\$ -
(4,674,999)	-	(4,674,999)	-
(2,207,268)	-	(2,207,268)	-
(578,851)	-	(578,851)	-
(291,328)	-	(291,328)	-
(454,624)	-	(454,624)	-
<u>(7,648,287)</u>	<u>-</u>	<u>(7,648,287)</u>	<u>-</u>
-	(336,806)	(336,806)	-
<u>(7,648,287)</u>	<u>(336,806)</u>	<u>(7,985,093)</u>	<u>-</u>
-	-	-	(1,039,295)
9,169,715	-	9,169,715	1,107,293
951,974	-	951,974	-
211,689	-	211,689	-
29,583	9,105	38,688	748
<u>10,362,961</u>	<u>9,105</u>	<u>10,372,066</u>	<u>1,108,041</u>
2,714,674	(327,701)	2,386,973	68,746
<u>776,539</u>	<u>15,575,155</u>	<u>16,351,694</u>	<u>3,462,094</u>
<u>\$ 3,491,213</u>	<u>\$ 15,247,454</u>	<u>\$ 18,738,667</u>	<u>\$ 3,530,840</u>

CITY OF PLYMOUTH
Balance Sheet
Governmental Funds
June 30, 2021

	General	2020 Road Construction Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 5,055,547	\$ 4,469,541	\$ 3,519,297	\$ 13,044,385
Investments	-	-	69,828	69,828
Receivables (net of allowance for uncollectibles):				
Taxes	58,188	-	-	58,188
Accounts	38,041	-	171,446	209,487
Due from Other Funds	80,000	-	440,000	520,000
Due from Other Governmental Units	324,171	-	171,993	496,164
Inventory	36,935	-	46,718	83,653
	<u>\$ 5,592,882</u>	<u>\$ 4,469,541</u>	<u>\$ 4,419,282</u>	<u>\$ 14,481,705</u>
Total Assets				

LIABILITIES AND FUND BALANCE

Liabilities:				
Accounts Payable	\$ 382,496	\$ 107,717	\$ 156,467	\$ 646,680
Accrued and Other Liabilities	686,000	-	24,024	710,024
Due to Other Governmental Units	299,980	-	-	299,980
Due to Other Funds	440,000	-	-	440,000
Due to Component Unit	10,824	-	-	10,824
Total Liabilities	<u>1,819,300</u>	<u>107,717</u>	<u>180,491</u>	<u>2,107,508</u>
Fund Balances:				
Non Spendable-Inventory and Prepaid Expenditures	36,935	-	46,718	83,653
Non Spendable-Long Term Accounts Receivable	80,000	-	-	80,000
Restricted:				
Capital Projects	-	4,361,824	161,588	4,523,412
Debt Service	-	-	210,596	210,596
Special Revenue	-	-	3,080,990	3,080,990
Other	-	-	611,076	611,076
Committed	110,000	-	127,823	237,823
Uncommitted:				
Unassigned	3,546,647	-	-	3,546,647
Total Fund Balances	<u>3,773,582</u>	<u>4,361,824</u>	<u>4,238,791</u>	<u>12,374,197</u>
Total Liabilities and Fund Balances	<u>\$ 5,592,882</u>	<u>\$ 4,469,541</u>	<u>\$ 4,419,282</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.	21,503,598
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:	1,974,532
Other Post Employment Benefits Liability	(16,961,029)
Compensated Absences Liability	(346,552)
Net Pension Liability	(5,737,002)
Deferred Charges on Bonds	(661,531)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(8,655,000)
Net Position of Governmental Activities	<u>\$ 3,491,213</u>

CITY OF PLYMOUTH
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	<u>General</u>	<u>2020 Road Construction Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Property Taxes	\$ 6,355,849	\$ -	\$ 2,813,866	\$ 9,169,715
Licenses and Permits	3,115	-	483,494	486,609
Intergovernmental:				
Federal, State and Local	1,546,321	-	1,102,194	2,648,515
Charges for Services	990,840	-	953,089	1,943,929
Interest	23,628	3,387	2,568	29,583
Other	361,420	-	18,328	379,748
Total Revenues	<u>9,281,173</u>	<u>3,387</u>	<u>5,373,539</u>	<u>14,658,099</u>
Expenditures				
Current:				
General Government	1,481,286	-	-	1,481,286
Public Safety	4,885,215	-	586,742	5,471,957
Public Works	1,109,012	-	1,759,499	2,868,511
Recreation and Cultural	-	-	989,539	989,539
Other	291,328	-	-	291,328
Debt Service:				
Principal	-	-	1,510,000	1,510,000
Interest and Other Charges	-	-	341,200	341,200
Capital Outlay	202,655	1,890,823	10,904	2,104,382
Total Expenditures	<u>7,969,496</u>	<u>1,890,823</u>	<u>5,197,884</u>	<u>15,058,203</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,311,677</u>	<u>(1,887,436)</u>	<u>175,655</u>	<u>(400,104)</u>
Other Financing Sources (Uses)				
Transfers In	-	-	907,943	907,943
Transfers Out	(559,643)	-	(348,300)	(907,943)
Total Other Financing Sources (Uses)	<u>(559,643)</u>	<u>-</u>	<u>559,643</u>	<u>-</u>
Net Change in Fund Balances	752,034	(1,887,436)	735,298	(400,104)
Fund Balances - Beginning	<u>3,021,548</u>	<u>6,249,260</u>	<u>3,503,493</u>	<u>12,774,301</u>
Fund Balances - Ending	<u>\$ 3,773,582</u>	<u>\$ 4,361,824</u>	<u>\$ 4,238,791</u>	<u>\$ 12,374,197</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, 2021

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)	\$	(400,104)
<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		2,058,202
Depreciation Expense		(1,365,776)
<p>The net increase in other post employment benefit obligations (OPEB) does not require current resources and are not included in governmental funds.</p>		
		(163,368)
<p>The net decrease in Net Pension Liability does not require current resources and are not included in governmental funds.</p>		
		762,853
<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>		
Bond Amortization		73,503
Principal Repayments		1,510,000
Compensated Absences decrease		36,752
<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>202,612</u>
Change in net position in governmental activities (page 13)	\$	<u><u>2,714,674</u></u>

CITY OF PLYMOUTH
Balance Sheet
Proprietary Funds
June 30, 2021

	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	\$ 3,753,932	\$ 737,735
Accounts Receivable	1,213,453	-
Inventory	126,782	13,719
Total Current Assets	5,094,167	751,454
Restricted Assets - Cash and Cash Equivalents	12,275	-
Property, Plant and Equipment:		
Water and Sewer Infrastructure	20,958,438	-
Machinery, Equipment and Vehicles	344,084	6,852,905
Accumulated Depreciation	(9,664,375)	(4,665,986)
Net Property, Plant and Equipment	11,638,147	2,186,919
Total Assets	16,744,589	2,938,373
Deferred Outflow - Unamortized Bond Discount	16,807	-
Total Assets and Deferred Outflows	\$ 16,761,396	\$ 2,938,373
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>		
Current Liabilities:		
Accounts Payable	\$ 410,172	\$ 24,407
Accrued Liabilities	29,430	12,631
Current Portion of Long Term Debt Payable	270,000	400,577
Total Current Liabilities	709,602	437,615
Long-Term Liabilities:		
Notes Payable	-	526,226
Bonds Payable	705,000	-
Deferred Inflow - Bond Refunding	99,340	-
Net Position:		
Net Investment in Capital Assets	10,580,614	1,260,116
Restricted for Improvements	12,275	-
Unrestricted	4,654,565	714,416
Total Net Position	15,247,454	1,974,532
Total Liabilities, Deferred Inflows and Net Position	\$ 16,761,396	\$ 2,938,373

CITY OF PLYMOUTH
Statement of Revenues, Expenses and Changes in Fund Equity
Proprietary Funds
For the Year Ended June 30, 2021

	Business Type Activity Enterprise Fund	Governmental Activities - Internal Service
	Water & Sewer	Equipment Fund
<u>Operating Revenues:</u>		
Charges for Services	\$ 4,467,334	\$ -
Rental Income	-	747,528
Miscellaneous	-	15,286
Total Operating Revenues	<u>4,467,334</u>	<u>762,814</u>
<u>Operating Expenses:</u>		
Personal Services, Other and Administrative	765,437	368,991
Trunk and Lateral	183,452	-
Mains Maintenance	200,200	-
Service Maintenance	50,863	-
Sewage Disposal Charges	1,804,810	-
Purchased Water	1,129,193	-
Meter Maintenance	104,145	-
Hydrant Maintenance	58,485	-
Depreciation and Amortization	488,000	151,290
Total Operating Expenses	<u>4,784,585</u>	<u>520,281</u>
Operating Income (Loss)	<u>(317,251)</u>	<u>242,533</u>
<u>Non-Operating Revenues (Expenses):</u>		
Interest Income	9,105	-
Interest Expense	<u>(19,555)</u>	<u>(39,921)</u>
Total Non-Operating Revenues (Expenses)	<u>(10,450)</u>	<u>(39,921)</u>
Net Income (Loss)	(327,701)	202,612
Net Position, Beginning	<u>15,575,155</u>	<u>1,771,920</u>
Net Position, Ending	<u>\$ 15,247,454</u>	<u>\$ 1,974,532</u>

CITY OF PLYMOUTH
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	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	\$ 4,453,747	\$ 16,848
Receipts from quasi-external transactions	-	747,528
Payments to suppliers	(3,935,061)	(383,826)
Payments to employees	(763,912)	(213)
Net Cash Provided by Operating Activities	(245,226)	380,337
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Purchases of Capital Assets	(737,992)	(701,142)
Installment Loan Proceeds	-	582,357
Principal Paid on Capital Debt	(265,000)	(327,021)
Interest Paid on Capital Debt	(44,390)	(39,921)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,047,382)	(485,727)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest Earned	9,105	-
Net Increase (Decrease) in Cash and Cash Equivalents	(1,283,503)	(105,390)
Cash and Cash Equivalents, Beginning	5,049,710	843,125
Cash and Cash Equivalents, Ending	\$ 3,766,207	\$ 737,735
<u>Balance Sheet Classifications:</u>		
Cash and Cash Equivalents	\$ 3,753,932	\$ 737,735
Restricted Assets - Cash and Cash Equivalents	12,275	-
Total	\$ 3,766,207	\$ 737,735
<u>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</u>		
Operating Income (Loss)	\$ (317,251)	\$ 242,533
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization Expense	488,000	151,290
(Increase) Decrease in Receivables	(15,104)	-
(Increase) Decrease in Inventory	1,517	1,562
Increase (Decrease) in Accounts Payable	(403,913)	(14,835)
Increase (Decrease) in Accrued Liabilities	1,525	(213)
Net Cash Provided by Operating Activities	\$ (245,226)	\$ 380,337

CITY OF PLYMOUTH
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ -
 <u>LIABILITIES</u>	
Due to Other Governments	<u>-</u>
 NET POSITION	\$ <u><u>-</u></u>

CITY OF PLYMOUTH
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2021

	<u>Custodial Funds</u>
Additions:	
Taxes Collected for Other Governments	\$ 29,598,671
 Deductions:	
Payment of Taxes to Other Governments	<u>29,598,671</u>
 Change in Net Position	\$ <u><u>-</u></u>

CITY OF PLYMOUTH
Statement of Net Position - Component Units
June 30, 2021

	<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	\$ 1,779,495	\$ 280,511	\$ -	\$ 2,060,006
Accounts Receivable	27,852	256,548	-	284,400
Due from Primary Government	-	-	10,824	10,824
Capital Assets (Net of Accumulated Depreciation)	3,635,093	-	-	3,635,093
Total Assets	<u>5,442,440</u>	<u>537,059</u>	<u>10,824</u>	<u>5,990,323</u>
<u>LIABILITIES</u>				
Accounts Payable	20,727	397,571	-	418,298
Accrued Liabilities	52,814	-	-	52,814
Noncurrent Liabilities:				
Due within one year	195,000	-	-	195,000
Due in more than one year	610,000	-	-	610,000
Total Liabilities	<u>878,541</u>	<u>397,571</u>	<u>-</u>	<u>1,276,112</u>
<u>DEFERRED INFLOW OF RESOURCES</u>				
Unamortized Bond Premium	<u>76,695</u>	<u>-</u>	<u>-</u>	<u>76,695</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	2,830,093	-	-	2,830,093
Unrestricted	1,657,111	139,488	10,824	1,807,423
	<u>\$ 4,487,204</u>	<u>\$ 139,488</u>	<u>\$ 10,824</u>	<u>\$ 4,637,516</u>

CITY OF PLYMOUTH
Statement of Activities - Component Units
For the Year Ended June 30, 2021

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	\$ 1,054,866	\$ 47,342	\$ 22,192	\$ -	\$ (985,332)	\$ -	\$ -	\$ (985,332)
Brownfield Redevelopment Authority	353,805	-	299,842	-	-	(53,963)	-	(53,963)
Total	\$ 1,408,671	\$ 47,342	\$ 322,034	\$ -	(985,332)	(53,963)	-	(1,039,295)
General Revenues:								
Property Taxes					1,053,810	53,483	-	1,107,293
Unrestricted Investment Earnings					683	65	-	748
Gain on Sale of Assets					1,015,690	-	-	1,015,690
Total General Revenues					2,070,183	53,548	-	2,123,731
Change in Net Position					1,084,851	(415)	-	1,084,436
Net Position - Beginning					3,402,353	139,903	10,824	3,553,080
Net Position - Ending					\$ 4,487,204	\$ 139,488	\$ 10,824	\$ 4,637,516

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2021

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 fiscal 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, 2021

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.

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2021

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.

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2021

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, 2021

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 custodial capacity on behalf of others.

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2021

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 (\$30,243) for uncollectible accounts, which are recorded at \$1,481,128 at June 30, 2021.

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2021

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 \$12,275 at June 30, 2021.

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, 2021

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, 2021

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, 2021

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, 2021.

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2021

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	\$ 17,536,052
Restricted Assets-Cash	<u>12,275</u>
Total	<u>\$ 17,548,327</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, 2021, the City's book balance of its deposits was \$17,548,327. The bank balance was \$17,197,459, of which \$13,097,459 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	\$1,779,495	\$1,779,495	\$ -
Economic Development Corporation	-	-	-
Brownfield Redevelopment Authority	<u>280,511</u>	<u>280,511</u>	<u>-</u>
	<u>\$2,060,006</u>	<u>\$ 2,060,006</u>	<u>\$ -</u>

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2021

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	\$ 2,500,000	.22
Trust Fund:		
Mutual Fund – Bonds and Cash	1,000	Not Available
Mutual Fund – Equity	<u>68,828</u>	Not Available
	<u>\$ 2,569,828</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	\$ 2,500,000	AAAm	S&P
Trust Fund:			
Mutual Fund – Cash	1,000	Not Available	
Mutual Funds – Equity	<u>68,828</u>	Not Available	
	<u>\$ 2,569,828</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 (14%).

Investments in Entities that Calculate Net Asset Value per Share. As of the fiscal year ended June 30, 2021, 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 \$2,500,000) has no unfunded commitments, no restrictions on redemption frequency, and has no redemption notice period.

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2021

III. DETAILED NOTES ON ALL FUNDS – Continued

B. Capital Assets

Capital asset activity for the year ended June 30, 2021 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	7,361,884	-	-	7,361,884
Machinery and Equipment	2,123,489	167,379	-	2,290,868
Infrastructure	29,276,939	1,890,823	-	31,167,762
Internal Service Fund	6,151,763	701,142	-	6,852,905
	<u>44,914,075</u>	<u>2,759,344</u>	<u>-</u>	<u>47,673,419</u>
Less: Accumulated Depreciation:				
Buildings and Improvements	(5,287,712)	(202,021)	-	(5,489,733)
Machinery and Equipment	(2,241,385)	(228,761)	-	(2,470,146)
Infrastructure	(11,678,571)	(934,994)	-	(12,613,565)
Internal Service Fund	(4,514,696)	(151,290)	-	(4,665,986)
	<u>(23,722,364)</u>	<u>(1,517,066)</u>	<u>-</u>	<u>(25,239,430)</u>
Governmental Activities Capital Assets, net	<u>\$ 22,448,239</u>	<u>\$ 1,242,278</u>	<u>\$ -</u>	<u>\$ 23,690,517</u>

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

General Government	\$ 101,217
Public Safety	134,667
Public Works	1,014,052
Recreation and Cultural	115,840
Charged though Internal Service Funds	151,290
	<u>\$ 1,517,066</u>

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2021

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	\$ 20,220,446	\$ 737,992	\$ -	\$ 20,958,438
Equipment	344,084	-	-	344,084
	<u>20,564,530</u>	<u>737,992</u>	<u>-</u>	<u>21,302,522</u>
Less: Accumulated Depreciation:				
Water and Sewer Mains	(8,892,007)	(478,640)	-	(9,370,647)
Equipment	(293,728)	-	-	(293,728)
	<u>(9,185,735)</u>	<u>(478,640)</u>	<u>-</u>	<u>(9,664,375)</u>
Business-type Activities Capital Assets, net	<u>\$ 11,378,795</u>	<u>\$ 259,352</u>	<u>\$ -</u>	<u>\$ 11,638,147</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	\$ 190,000	\$ -	\$ 7,147,985
Buildings	1,935,745	-	-	1,935,745
Equipment	212,473	20,000	-	232,473
	<u>9,106,203</u>	<u>210,000</u>	<u>-</u>	<u>9,316,203</u>
Less: Accumulated Depreciation:				
Infrastructure	(5,428,991)	(244,341)	-	(5,673,332)
Buildings	(410,011)	(58,741)	-	(468,752)
Equipment	(108,394)	(27,632)	-	(136,026)
	<u>(5,947,396)</u>	<u>(330,714)</u>	<u>-</u>	<u>(6,278,110)</u>
Component Units Capital Assets, net	<u>\$ 3,755,807</u>	<u>\$ (120,714)</u>	<u>\$ -</u>	<u>\$ 3,635,093</u>

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2021

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, 2021, 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	440,000
		<u>\$ 520,000</u>

2. Interfund Transfers

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Recreation	General Fund	\$ 400,000
Solid Waste Fund	General Fund	11,633
Building Fund	General Fund	50,000
Neighborhood Services	General Fund	73,010
Public Improvement Fund	General Fund	25,000
Local Street Fund	Major Street Fund	344,300
Recreation CIF	Recreation	4,000
		<u>\$ 907,943</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, 2021

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, 2021:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Balance Within 1 Year
Governmental Activities:					
2012 LTGO Bonds	\$ 4,025,000	\$ -	\$ 995,000	\$ 3,030,000	\$ 1,010,000
2020 GO Bonds	<u>6,140,000</u>	<u>-</u>	<u>515,000</u>	<u>5,625,000</u>	<u>535,000</u>
Total Bonds	10,165,000	-	1,510,000	8,655,000	1,545,000
Installment Loans	<u>671,467</u>	<u>582,357</u>	<u>327,021</u>	<u>926,803</u>	<u>400,577</u>
	<u>\$ 10,836,467</u>	<u>\$ 582,357</u>	<u>\$ 1,837,021</u>	<u>\$ 9,581,803</u>	<u>\$ 1,945,577</u>
Business-type Activities:					
2015 Cap Imp Bonds	\$ 1,040,000	\$ -	\$ 200,000	\$ 840,000	\$ 205,000
2012 GO Refunding Bonds	<u>200,000</u>	<u>-</u>	<u>65,000</u>	<u>135,000</u>	<u>65,000</u>
	<u>\$ 1,240,000</u>	<u>\$ -</u>	<u>\$ 265,000</u>	<u>\$ 975,000</u>	<u>\$ 270,000</u>
Component Unit-DDA					
2015 Cap Imp Bonds	<u>\$ 995,000</u>	<u>\$ -</u>	<u>\$ 190,000</u>	<u>\$ 805,000</u>	<u>\$ 195,000</u>

The following is a summary of general obligation debt outstanding (excluding compensated absences) of the City as of June 30, 2021:

	Number of Issues	Interest Rate (Coupon)	Maturing Through	Principal Outstanding
Governmental Activities:				
Gen Obligation Bonds	2	1.43-4.75%	2030	\$ 8,655,000
Act 99 Installment Loans	5	2.75%	2026	<u>926,803</u>
Total Govt Activities				<u>\$ 9,581,803</u>
Business-type Activities:				
Gen Obligation Bonds	2	2.00-4.00%	2025	<u>\$ 975,000</u>
Component Unit-DDA				
Gen Obligation Bonds	1	4.00%	2025	<u>\$ 805,000</u>

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2021

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, 2021 are as follows:

Year Ended	Governmental Activities		Business-type Activities		Component Unit-DDA	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 1,932,619	\$ 317,301	\$ 270,000	\$ 32,778	\$ 195,000	\$ 28,300
2023	1,906,364	254,045	275,000	23,050	200,000	20,400
2024	1,681,021	198,779	210,000	13,000	205,000	12,300
2025	679,944	142,426	220,000	4,400	205,000	4,100
2026	656,855	116,619	-	-	-	-
2027	650,000	81,750	-	-	-	-
2028	670,000	62,250	-	-	-	-
2029	690,000	42,150	-	-	-	-
2030	715,000	21,450	-	-	-	-
	<u>\$ 9,581,803</u>	<u>\$ 1,236,770</u>	<u>\$ 975,000</u>	<u>\$ 73,228</u>	<u>\$ 805,000</u>	<u>\$ 65,100</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.

	<u>Tax Rate</u>
General Operating	10.5788
Refuse	1.8200
General Obligation Debt	3.1100

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2021

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, 2020 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently Receiving benefits	54
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	<u>0</u>
Total employees covered by MERS	<u><u>57</u></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, 2021

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 \$947,187 and a voluntary contribution of \$200,000.

Net Pension Liability

The net pension liability reported at June 30, 2021 was determined using a measure of the total pension liability and the pension net position as of December 31, 2020. The December 31, 2020 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, 2019	\$ 15,779,473	\$ 8,778,726	\$ 7,000,747
Service Cost	-	-	-
Interest	1,140,559	-	1,140,559
Contributions-Employer	-	1,162,616	(1,162,616)
Contributions-Employee	-	-	-
Net Investment Income	-	1,059,146	(1,059,146)
Differences between expected and actual experience	85,989	-	85,989
Change in assumptions	457,544	-	457,544
Benefit Payments, including refunds	(1,544,219)	(1,544,219)	-
Administrative Expenses	-	(17,174)	17,174
Net Changes	<u>139,873</u>	<u>660,369</u>	<u>(520,496)</u>
Balance at December 31, 2020	<u>\$ 15,919,346</u>	<u>\$ 9,439,095</u>	<u>\$ 6,480,251</u>

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2021

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, 2021, 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	\$ 368,142	\$ -
Change in Assumptions	-	198,486
Employer contributions to the plan subsequent to the measurement date	573,593	-
Total	<u>\$ 941,735</u>	<u>\$ 198,486</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 (\$573,593), which will impact the net pension liability in fiscal year 2022, rather than pension expense.

<u>Years Ending June 30</u>	<u>Amount</u>
2022	\$ (24,203)
2023	(24,203)
2024	(87,590)
2025	197,197
2026	108,455

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00%
Investment rate of return	7.60%

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, 2021

IV. OTHER INFORMATION – Continued

A. Defined Benefit Pension Plan – Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.60 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, 2020, 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	60%	3.15%
Global Fixed Income	20%	0.25%
Private Investments	20%	1.45%

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2021

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 (6.60 percent) or one percentage point higher (8.60 percent) than the current rate:

	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
Net Pension Liability of the City	\$ 7,815,662	\$ 6,480,251	\$ 5,323,604

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. The City contributes 15% of gross pay for each eligible employee.

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2021

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, 2019 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>40</u>
Total	<u>99</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, 2021

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, 2020	\$ 18,759,008	\$ -	\$ 18,759,008
Service Cost	249,172	-	249,172
Interest Cost	494,585	-	494,585
Employer Contributions	-	580,389	(580,389)
Benefit Payments	(580,389)	(580,389)	-
Net Changes	<u>163,368</u>	<u>-</u>	<u>163,368</u>
Balance at June 30, 2021	<u>\$ 18,922,376</u>	<u>\$ -</u>	<u>\$ 18,922,376</u>

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

For the year ended June 30, 2021, the City recognized deferred inflows of resources as follows:

<u>Source</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in Assumptions	\$ 1,844,754	\$ 85,624
Difference between expected and actual experience	202,217	-
	<u>\$ 2,046,971</u>	<u>\$ 85,624</u>

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

Years Ending	Amount
<u>June 30</u>	<u>Amount</u>
2022	\$ 1,243,577
2023	717,770

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2021

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 2.66 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:

	<u>1% Decrease</u> <u>(1.66%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(2.66%)</u>	<u>1% Increase</u> <u>(3.66%)</u>
Net OPEB Liability	\$ <u>22,285,150</u>	\$ <u>18,922,376</u>	\$ <u>16,075,472</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:

	<u>1% Decrease</u>	<u>Healthcare Cost</u> <u>Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ <u>15,119,970</u>	\$ <u>18,922,376</u>	\$ <u>23,201,016</u>

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2021

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, 2019. The following actuarial assumptions were applied:

Actuarial Cost Method	Entry-age normal
Discount Rate	2.66%
Salary Increases	3.00% 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	Pub-2010 General Retiree Mortality Table
Healthcare Trend Rate	8.25% pre-65, 6.50% post-65; grading to 4.50%

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2021

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	\$ 597,985
Incurred claims (including IBNRs)	691,547
Claims Paid	<u>(989,004)</u>
Unpaid claims, at end of year	<u>\$ 300,528</u>

CITY OF PLYMOUTH
Notes to Financial Statements
June 30, 2021

IV. OTHER INFORMATION – Continued

E. Upcoming Accounting Pronouncements

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 Statement was effective beginning with the City's fiscal year ending June 30, 2021, but was extended to June 30, 2022 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

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)

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:							
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,213	\$ 6,541
Interest	1,140,559	1,199,462	1,216,144	1,232,243	1,241,442	1,237,027	620,584
Change in Assumptions	457,544	471,397	-	-	-	793,944	-
Change in Experience	85,989	(109,121)	123,281	105,749	159,894	(151,532)	-
Other Changes	-	-	-	-	-	-	642,952
Benefit payments, including refunds	(1,544,219)	(1,551,052)	(1,544,857)	(1,533,596)	(1,499,120)	(1,480,828)	(1,459,239)
Net Change in Total Pension Liability	139,873	10,686	(205,432)	(195,604)	(97,784)	404,824	(189,162)
Total Pension Liability, Beginning of year	15,779,473	15,768,787	15,974,219	16,169,823	16,267,607	15,862,783	16,051,945
Total Pension Liability, End of year	<u>\$ 15,919,346</u>	<u>\$ 15,779,473</u>	<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	\$ 1,162,616	\$ 1,013,528	\$ 951,494	\$ 1,164,214	\$ 1,324,818	\$ 1,444,796	\$ 1,423,876
Contributions - Employee	-	-	-	-	-	-	-
Net Investment Income	1,059,146	1,081,716	(337,090)	1,101,381	874,780	(117,516)	468,230
Administrative Expenses	(17,174)	(18,614)	(17,238)	(17,470)	(17,267)	(17,213)	(17,309)
Benefit payments, including refunds	(1,544,219)	(1,551,052)	(1,544,857)	(1,533,596)	(1,499,120)	(1,480,828)	(1,459,239)
Net Change in Plan Fiduciary Net Position	660,369	525,578	(947,691)	714,529	683,211	(170,761)	415,558
Plan Fiduciary Net Position, Beg. of year	8,778,726	8,253,148	9,200,839	8,486,310	7,803,099	7,973,860	7,558,302
Plan Fiduciary Net Position, End of year	<u>\$ 9,439,095</u>	<u>\$ 8,778,726</u>	<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>\$ 6,480,251</u>	<u>\$ 7,000,747</u>	<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	59.3%	55.6%	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	n/a	n/a	13228%	11711%

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 1,037,304	\$ 887,928	\$ 739,128	\$ 763,860	\$ 1,365,298	\$ 1,377,112	\$ 1,105,528	\$ 943,224	\$ 812,726	\$ 727,189
Contributions in relation to the actuarially determined contribution	\$ 1,237,304	\$ 1,087,928	\$ 939,128	\$ 963,860	\$ 1,365,298	\$ 1,527,112	\$ 1,105,528	\$ 943,224	\$ 812,726	\$ 727,189
Contribution Excess (Deficiency)	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,988	\$ 161,704	\$ 156,984	\$ 161,326	\$ 245,093
Contributions as a Percentage of Covered Employee Payroll	n/a	n/a	n/a	n/a	n/a	2386.6%	683.7%	600.8%	503.8%	296.7%

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 7.35%

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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability:				
Service Cost	\$ 249,172	\$ 190,780	\$ 284,513	\$ 261,172
Interest	494,585	550,224	501,687	473,847
Change in Assumptions	-	3,042,646	-	(761,596)
Change in Experience	-	333,526	-	-
Benefit payments, including refunds	(580,389)	(491,214)	(648,287)	(527,324)
Net Change in Total Pension Liability	<u>163,368</u>	<u>3,625,962</u>	<u>137,913</u>	<u>(553,901)</u>
Total OPEB Liability, Beginning of year	<u>18,759,008</u>	<u>15,133,046</u>	<u>14,995,133</u>	<u>15,549,034</u>
Total OPEB Liability, End of year	<u>\$ 18,922,376</u>	<u>\$ 18,759,008</u>	<u>\$ 15,133,046</u>	<u>\$ 14,995,133</u>
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 580,389	\$ 491,214	\$ 648,287	\$ 527,324
Benefit Payments	(580,389)	(491,214)	(648,287)	(527,324)
Net Change in Plan Fiduciary Net Position	-	-	-	-
Plan Fiduciary Net Position, Beginning of year	-	-	-	-
Plan Fiduciary Net Position, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Net OPEB Liability - Ending	<u>\$ 18,922,376</u>	<u>\$ 18,759,008</u>	<u>\$ 15,133,046</u>	<u>\$ 14,995,133</u>
Plan Fiduciary Net Position as a Percent of Total OPEB	0.0%	0.0%	0.0%	0.0%
Covered Employee Payroll	n/a	n/a	n/a	n/a
City's Net OPEB Liability as a Percent of Covered Employee Payroll	n/a	n/a	n/a	n/a

CITY OF PLYMOUTH

**Required Supplemental Information
Schedule of City OPEB Contributions**

Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 580,389	\$ 491,214	\$ 590,263	\$ 539,082	\$ 926,180	\$ 926,180	\$ 926,180	\$ 559,045	\$ 563,936
Contributions in relation to the actuarially determined contribution	580,389	491,214	648,287	527,324	641,891	516,636	603,717	464,812	678,880
Contribution Deficiency (Excess)	\$ -	\$ -	\$ (58,024)	\$ 11,758	\$ 284,289	\$ 409,544	\$ 322,463	\$ 94,233	\$ (114,944)
Covered Employee Payroll	\$ 3,294,820	3,294,820	2,967,630	3,226,054	3,206,966	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:

Valuation Date: 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: 2.66%
 - Salary Increases: 3.00% 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 any age with 25 years of service.
- Mortality: Pub-2010 General Retiree Mortality Table multiplied by 10.5%. RP-2014 Employee Mortality Tables; and RP-2014 Juvenile Mortality Tables
- Healthcare Trend Rate: 8.25% pre-65; 6.50% post-65; grading to 4.50%

CITY OF PLYMOUTH
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 6,366,730	\$ 6,367,430	\$ 6,355,849	\$ (11,581)
Licenses and Permits	5,100	5,100	3,115	(1,985)
Intergovernmental - State	1,126,566	1,185,698	1,176,061	(9,637)
Intergovernmental - Federal	30,560	370,260	370,260	-
Charges for Services	1,054,810	1,043,980	990,840	(53,140)
Interest Earnings	50	20,000	23,628	3,628
Other Revenues	669,880	492,040	361,420	(130,620)
Total Revenues	<u>9,253,696</u>	<u>9,484,508</u>	<u>9,281,173</u>	<u>(203,335)</u>
Expenditures:				
General Government:				
City Commission	116,960	121,875	93,148	28,727
City Manager	316,880	348,235	276,440	71,795
Attorney	128,500	138,500	114,702	23,798
Finance	463,425	441,925	362,550	79,375
Clerk/Elections	261,320	269,760	207,762	61,998
Assessing	86,780	86,984	67,521	19,463
Management Information Services	280,620	283,145	242,045	41,100
Cemetery	141,950	147,900	117,118	30,782
	<u>1,796,435</u>	<u>1,838,324</u>	<u>1,481,286</u>	<u>357,038</u>
Public Safety:				
Police	4,095,695	4,093,445	3,809,062	284,383
Fire	998,840	1,112,220	1,076,153	36,067
	<u>5,094,535</u>	<u>5,205,665</u>	<u>4,885,215</u>	<u>320,450</u>
Public Works:				
Municipal Services Administration	260,550	271,040	249,156	21,884
City Hall Maintenance	116,855	139,905	138,327	1,578
Parks and Public Property	199,500	204,590	214,606	(10,016)
Municipal Services Yard Maintenance	79,455	81,830	64,844	16,986
Street Services	163,000	180,525	187,687	(7,162)
Miscellaneous MSD Services	2,325	2,345	747	1,598
Special Events	174,325	142,775	31,482	111,293
Parking	41,225	47,500	37,995	9,505
MSD Services--DDA	165,200	167,175	184,168	(16,993)
	<u>1,202,435</u>	<u>1,237,685</u>	<u>1,109,012</u>	<u>128,673</u>
Other				
Capital Outlay	568,148	402,549	291,328	111,221
	<u>257,500</u>	<u>431,095</u>	<u>202,655</u>	<u>228,440</u>
Total Expenditures	<u>8,919,053</u>	<u>9,115,318</u>	<u>7,969,496</u>	<u>1,145,822</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>334,643</u>	<u>369,190</u>	<u>1,311,677</u>	<u>942,487</u>
Other Financing Uses:				
Transfers Out	(334,643)	(559,643)	(559,643)	-
Total Other Financing Uses	<u>(334,643)</u>	<u>(559,643)</u>	<u>(559,643)</u>	<u>-</u>
Net Change in Fund Balance	-	(190,453)	752,034	942,487
Fund Balance - Beginning	3,021,548	3,021,548	3,021,548	-
Fund Balance - Ending	<u>\$ 3,021,548</u>	<u>\$ 2,831,095</u>	<u>\$ 3,773,582</u>	<u>\$ 942,487</u>

OTHER SUPPLEMENTARY INFORMATION

CITY OF PLYMOUTH
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue	Debt Service	Capital Projects	Permanent Funds Cemetery Care	Total Nonmajor Governmental Funds
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 2,607,733	\$ 210,596	\$ 161,588	\$ 539,380	\$ 3,519,297
Investments	-	-	-	69,828	69,828
Accounts Receivable	169,578	-	-	1,868	171,446
Due from Other Funds	440,000	-	-	-	440,000
Due from Other Governmental Units	171,993	-	-	-	171,993
Inventory	46,718	-	-	-	46,718
	<u>\$ 3,436,022</u>	<u>\$ 210,596</u>	<u>\$ 161,588</u>	<u>\$ 611,076</u>	<u>\$ 4,419,282</u>
 <u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts Payable	\$ 156,467	\$ -	\$ -	\$ -	\$ 156,467
Accrued and Other Liabilities	24,024	-	-	-	24,024
Total Liabilities	<u>180,491</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>180,491</u>
Fund Balance:					
Non Spendable-Inventory	46,718	-	-	-	46,718
Restricted	3,080,990	210,596	161,588	611,076	4,064,250
Committed	127,823	-	-	-	127,823
Total Fund Balance	<u>3,255,531</u>	<u>210,596</u>	<u>161,588</u>	<u>611,076</u>	<u>4,238,791</u>
Total Liabilities and Fund Balance	<u>\$ 3,436,022</u>	<u>\$ 210,596</u>	<u>\$ 161,588</u>	<u>\$ 611,076</u>	<u>\$ 4,419,282</u>

CITY OF PLYMOUTH
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	<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	\$ 1,036,711	\$ 1,777,155	\$ -	\$ -	\$ 2,813,866
Licenses and Permits	483,494	-	-	-	483,494
Intergovernmental	1,007,177	78,091	16,926	-	1,102,194
Charges for Services	942,276	-	-	10,813	953,089
Interest	2,290	274	4	-	2,568
Other	18,328	-	-	-	18,328
Total Revenues	<u>3,490,276</u>	<u>1,855,520</u>	<u>16,930</u>	<u>10,813</u>	<u>5,373,539</u>
Expenditures:					
Public Safety	586,742	-	-	-	586,742
Public Works	1,759,499	-	-	-	1,759,499
Recreation and Cultural	989,539	-	-	-	989,539
Debt Service:					
Principal	-	1,510,000	-	-	1,510,000
Interest and Other Charges	-	341,200	-	-	341,200
Capital Outlay	-	-	10,904	-	10,904
Total Expenditures	<u>3,335,780</u>	<u>1,851,200</u>	<u>10,904</u>	<u>-</u>	<u>5,197,884</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>154,496</u>	<u>4,320</u>	<u>6,026</u>	<u>10,813</u>	<u>175,655</u>
Other Financing Sources (Uses):					
Operating Transfers In	878,943	-	29,000	-	907,943
Operating Transfers Out	(348,300)	-	-	-	(348,300)
Total Other Financing Sources (Uses)	<u>530,643</u>	<u>-</u>	<u>29,000</u>	<u>-</u>	<u>559,643</u>
Net Change in Fund Balances	685,139	4,320	35,026	10,813	735,298
Fund Balance, July 1	<u>2,570,392</u>	<u>206,276</u>	<u>126,562</u>	<u>600,263</u>	<u>3,503,493</u>
Fund Balance, June 30	<u>\$ 3,255,531</u>	<u>\$ 210,596</u>	<u>\$ 161,588</u>	<u>\$ 611,076</u>	<u>\$ 4,238,791</u>

CITY OF PLYMOUTH
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2021

	<u>Major Street</u>	<u>Local Street</u>	<u>Recreation</u>	<u>Solid Waste</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 1,018,018	\$ 540,477	\$ 39,873	\$ 808,312
Accounts Receivable	201	-	190	105,709
Due from Other Funds	-	-	-	440,000
Due From Other Governmental Units	110,886	44,544	6,830	412
Inventory	<u>32,387</u>	<u>10,795</u>	<u>1,888</u>	<u>1,648</u>
Total Assets	<u>\$ 1,161,492</u>	<u>\$ 595,816</u>	<u>\$ 48,781</u>	<u>\$ 1,356,081</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts Payable	\$ 5,439	\$ 11,222	\$ 27,550	\$ 71,290
Accrued and Other Liabilities	<u>1,765</u>	<u>1,914</u>	<u>7,370</u>	<u>6,669</u>
Total Liabilities	<u>7,204</u>	<u>13,136</u>	<u>34,920</u>	<u>77,959</u>
Fund Balance:				
Non Spendable-Inventory	32,387	10,795	1,888	1,648
Restricted	1,121,901	571,885	11,973	1,276,474
Committed	-	-	-	-
Total Fund Balance	<u>1,154,288</u>	<u>582,680</u>	<u>13,861</u>	<u>1,278,122</u>
Total Liabilities and Fund Balance	<u>\$ 1,161,492</u>	<u>\$ 595,816</u>	<u>\$ 48,781</u>	<u>\$ 1,356,081</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>
\$ 127,823	\$ 45,941	\$ 14,001	\$ 2,074	\$ 9,936	\$ 1,278	\$ 2,607,733
-	8,960	54,518	-	-	-	169,578
-	-	-	-	-	-	440,000
-	4,346	4,975	-	-	-	171,993
-	-	-	-	-	-	46,718
<u>\$ 127,823</u>	<u>\$ 59,247</u>	<u>\$ 73,494</u>	<u>\$ 2,074</u>	<u>\$ 9,936</u>	<u>\$ 1,278</u>	<u>\$ 3,436,022</u>
\$ -	\$ 7,677	\$ 33,289	\$ -	\$ -	\$ -	\$ 156,467
-	-	6,306	-	-	-	24,024
-	<u>7,677</u>	<u>39,595</u>	-	-	-	<u>180,491</u>
-	-	-	-	-	-	46,718
-	51,570	33,899	2,074	9,936	1,278	3,080,990
127,823	-	-	-	-	-	127,823
<u>127,823</u>	<u>51,570</u>	<u>33,899</u>	<u>2,074</u>	<u>9,936</u>	<u>1,278</u>	<u>3,255,531</u>
<u>\$ 127,823</u>	<u>\$ 59,247</u>	<u>\$ 73,494</u>	<u>\$ 2,074</u>	<u>\$ 9,936</u>	<u>\$ 1,278</u>	<u>\$ 3,436,022</u>

CITY OF PLYMOUTH
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2021

	<u>Major Street</u>	<u>Local Street</u>	<u>Recreation Fund</u>	<u>Solid Waste</u>
Revenues:				
Property Taxes	\$ -	\$ -	\$ -	\$ 1,036,711
Licenses and Permits	-	-	-	-
Intergovernmental	677,210	274,413	-	55,554
Charges for Services	-	-	505,255	418,949
Interest	1,135	-	160	869
Other	-	13,483	-	1,050
Total Revenues	<u>678,345</u>	<u>287,896</u>	<u>505,415</u>	<u>1,513,133</u>
Expenditures:				
Public Safety	-	-	-	-
Public Works	211,409	198,005	-	1,350,085
Recreation and Cultural	-	-	915,673	-
Total Expenditures	<u>211,409</u>	<u>198,005</u>	<u>915,673</u>	<u>1,350,085</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>466,936</u>	<u>89,891</u>	<u>(410,258)</u>	<u>163,048</u>
Other Financing Sources (Uses):				
Operating Transfers In	-	344,300	400,000	11,633
Operating Transfers Out	(344,300)	-	(4,000)	-
Total Other Financing Sources (Uses)	<u>(344,300)</u>	<u>344,300</u>	<u>396,000</u>	<u>11,633</u>
Net Change in Fund Balance	122,636	434,191	(14,258)	174,681
Fund Balance, July 1	<u>1,031,652</u>	<u>148,489</u>	<u>28,119</u>	<u>1,103,441</u>
Fund Balance, June 30	<u>\$ 1,154,288</u>	<u>\$ 582,680</u>	<u>\$ 13,861</u>	<u>\$ 1,278,122</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,036,711
-	-	483,494	-	-	-	483,494
-	-	-	-	-	-	1,007,177
-	-	15,127	-	2,945	-	942,276
58	-	68	-	-	-	2,290
-	-	-	-	3,795	-	18,328
<u>58</u>	<u>-</u>	<u>498,689</u>	<u>-</u>	<u>6,740</u>	<u>-</u>	<u>3,490,276</u>
-	-	570,269	-	16,473	-	586,742
-	-	-	-	-	-	1,759,499
-	73,866	-	-	-	-	989,539
<u>-</u>	<u>73,866</u>	<u>570,269</u>	<u>-</u>	<u>16,473</u>	<u>-</u>	<u>3,335,780</u>
<u>58</u>	<u>(73,866)</u>	<u>(71,580)</u>	<u>-</u>	<u>(9,733)</u>	<u>-</u>	<u>154,496</u>
-	73,010	50,000	-	-	-	878,943
-	-	-	-	-	-	(348,300)
<u>-</u>	<u>73,010</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>530,643</u>
58	(856)	(21,580)	-	(9,733)	-	685,139
<u>127,765</u>	<u>52,426</u>	<u>55,479</u>	<u>2,074</u>	<u>19,669</u>	<u>1,278</u>	<u>2,570,392</u>
<u>\$ 127,823</u>	<u>\$ 51,570</u>	<u>\$ 33,899</u>	<u>\$ 2,074</u>	<u>\$ 9,936</u>	<u>\$ 1,278</u>	<u>\$ 3,255,531</u>

CITY OF PLYMOUTH
Nonmajor Debt Service Funds
Combining Balance Sheet
June 30, 2021

	2012 Refunding GO Debt	2020 GO Debt	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ <u>206,276</u>	\$ <u>4,320</u>	\$ <u>210,596</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities	\$ -	\$ -	\$ -
Fund Balance:			
Restricted - Debt Service	<u>206,276</u>	<u>4,320</u>	<u>210,596</u>
Total Liabilities and Fund Balance	\$ <u>206,276</u>	\$ <u>4,320</u>	\$ <u>210,596</u>

CITY OF PLYMOUTH
Nonmajor Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2021

	2012		2020		Total
	Refunding		GO Debt		
	GO Debt		GO Debt		Total
Revenues:					
Property Taxes	\$ 1,070,221	\$	706,934	\$	1,777,155
Intergovernmental	46,855		31,236		78,091
Interest Income	274		-		274
Total Revenues	<u>1,117,350</u>		<u>738,170</u>		<u>1,855,520</u>
Expenditures:					
Debt Service:					
Principal Retirement	995,000		515,000		1,510,000
Interest and Fiscal Charges	122,350		218,850		341,200
Total Expenses	<u>1,117,350</u>		<u>733,850</u>		<u>1,851,200</u>
Excess (Deficiency) of Revenues Over Expenditures	-		4,320		4,320
Fund Balance, July 1	<u>206,276</u>		-		<u>206,276</u>
Fund Balance, June 30	<u>\$ 206,276</u>	\$	<u>4,320</u>	\$	<u>210,596</u>

CITY OF PLYMOUTH
Nonmajor Capital Project Funds
Combining Balance Sheet
For the Year Ended June 30, 2021

	<u>Recreation Capital Improvement</u>	<u>Public Improvement</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 13,885	\$ 147,703	\$ 161,588
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ -
Fund Balance:			
Restricted - Construction	13,885	147,703	161,588
Total Liabilities and Fund Balance	\$ 13,885	\$ 147,703	\$ 161,588

CITY OF PLYMOUTH
Nonmajor Capital Project Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2021

	<u>Recreation Capital Improvement</u>	<u>Public Improvement</u>	<u>Total</u>
<u>Revenues:</u>			
Intergovernmental	\$ 16,926	\$ -	\$ 16,926
Interest	-	4	4
Total Revenues	16,926	4	16,930
<u>Expenditures:</u>			
Capital Outlay	10,904	-	10,904
Excess (Deficiency) of Revenues Over Expenditures	6,022	4	6,026
<u>Other Financing Sources:</u>			
Operating Transfers In	4,000	25,000	29,000
Total Other Financing Sources	4,000	25,000	29,000
Net Change in Fund Balance	10,022	25,004	35,026
Fund Balance - July 1	3,863	122,699	126,562
Fund Balance - June 30	\$ 13,885	\$ 147,703	\$ 161,588