

***TOWN OF PLYMOUTH, MASSACHUSETTS***

***REPORT ON EXAMINATION OF  
BASIC FINANCIAL STATEMENTS***

***YEAR ENDED JUNE 30, 2014***

TOWN OF PLYMOUTH, MASSACHUSETTS

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JUNE 30, 2014

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## **Independent Auditor's Report**

To the Honorable Board of Selectmen  
Town of Plymouth, Massachusetts

## **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Plymouth, Massachusetts, as of and for the year ended June 30, 2014 (except for the Plymouth Contributory Retirement System which is as of and for the year ended December 31, 2013), which collectively comprise the Town'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 did not audit the financial statements of the Plymouth Growth & Development Corporation, which represents 100% of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Plymouth Growth & Development Corporation, is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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.

## Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Plymouth, Massachusetts, as of June 30, 2014 (except for the Plymouth Contributory Retirement System and the Plymouth Growth & Development Corporation which are as of and for the year ended December 31, 2013), 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 and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the 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.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Plymouth, Massachusetts' basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2015, on our consideration of the Town of Plymouth, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Plymouth, Massachusetts' internal control over financial reporting and compliance.

*Powers + Sullivan, LLC*

March 20, 2015

# ***Management's Discussion and Analysis***

## ***Management's Discussion and Analysis***

As management of the Town of Plymouth, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2014.

### ***Overview of the Financial Statements***

This discussion and analysis are intended to serve as an introduction to the Town of Plymouth's basic financial statements. These 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 finances, in a manner similar to private-sector business.

The *statement of net position* presents information on all assets and deferred outflows of resources and liabilities and deferred inflows of resources, 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 is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent 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 periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions 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 include general government, public safety, education, public works, human services, culture and recreation, community preservation, and interest. The business-type activities include the water, sewer, airport, and solid waste activities.

The government-wide financial statements include not only the Town of Plymouth itself (known as the *primary government*), but also a legally separate public employee retirement system, for which the Town of Plymouth is financially accountable, and The Plymouth Growth & Development Corporation, which are Component Units of the Town. Financial information for the retirement system is blended within the fiduciary fund statements while the Plymouth Growth & Development Corporation financial information is discretely presented.

**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. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds 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 statements focus on *near-term inflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the 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 Town of Plymouth adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

**Proprietary funds.** The Town maintains two types of proprietary funds.

*Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements, only in more detail. The Town uses enterprise funds to account for its water, sewer, airport and solid waste activities.

*Internal service funds* are an accounting device used to accumulate and allocate costs internally among various functions. The Town uses internal service funds to account for health insurance activities and employee benefit programs. Because these services predominately 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 Town's own programs. The accounting used for fiduciary funds is much like that used for propriety funds.

The fiduciary fund financial statements provide separate information for the pension and other employee benefit trust funds and the private purpose trust funds of the Town. All other fiduciary funds are combined into a single, aggregate presentation in the fiduciary fund financial statements under the caption agency funds.

**Notes to the basic 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.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the progress in funding its obligation to provide pension benefits to its employees.

## ***Government-wide Financial Analysis***

### **Governmental Activities**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Governmental assets exceeded liabilities by \$169.4 million at the close of 2014.

Governmental net position of \$222.8 million reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, vehicles and infrastructure), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its 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.

An additional portion of the net position, \$6.0 million, represents resources that are subject to external restrictions on how they may be used. The Town has \$50.1 million of *unrestricted net position* without considering the recorded liability for a portion of the postemployment healthcare obligation. That liability of \$109.5 million is long-term in nature, and will not be funded from the \$50.1 million of unrestricted net position at June 30, 2014.

The governmental activities net position decreased by \$17.1 million during the year. The decrease in net position is primarily due to the increase in the liability relating to GASB Statement #45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. This requires the recognition of other postemployment benefits (OPEB) cost over a period that approximates employees' years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. The Town, based on its actuarial valuation, reported an accrual of \$109.5 million for its portion of the liability that was not paid. This represents an increase of \$21.1 million over the prior year. This was offset by the recognition of \$2.8 million of capital grants and positive general fund budgetary results.

Condensed financial data for 2014 and 2013 is presented below.

	<b>2014</b>	<b>2013</b>
	<b>Governmental</b>	<b>Governmental</b>
	<b>Activities</b>	<b>Activities</b>
	<hr/>	<hr/>
<b>Assets:</b>		
Current assets.....	\$ 74,402,063	\$ 66,817,599
Noncurrent assets (excluding capital).....	8,351,606	9,415,399
Capital assets.....	313,183,076	308,156,863
Total assets.....	<hr/> <b>395,936,745</b>	<hr/> <b>384,389,861</b>
<b>Deferred Outflows of Resources:</b>		
Deferred charges on refunding.....	<hr/> <b>470,546</b>	<hr/> <b>627,140</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	10,048,562	9,229,645
Noncurrent liabilities (excluding debt).....	111,607,684	89,865,034
Current debt.....	21,204,442	8,694,200
Noncurrent debt.....	84,117,754	90,654,196
Total liabilities.....	<hr/> <b>226,978,442</b>	<hr/> <b>198,443,075</b>
<b>Net Position:</b>		
Net investment in capital assets.....	222,839,023	222,298,672
Restricted.....	5,989,804	5,572,809
Unrestricted.....	(59,399,978)	(41,297,555)
Total net position.....	<hr/> <b>\$ 169,428,849</b>	<hr/> <b>\$ 186,573,926</b>

	<b>2014</b>	<b>2013</b>
	<b>Governmental</b>	<b>Governmental</b>
	<b>Activities</b>	<b>Activities</b>
	<u>                    </u>	<u>                    </u>
<b>Program revenues:</b>		
Charges for services.....	\$ 15,444,450	\$ 11,578,584
Operating grants and contributions.....	53,199,067	49,822,122
Capital grants and contributions.....	2,757,215	5,547,353
<b>General Revenues:</b>		
Real estate and personal property taxes.....	128,365,654	122,431,569
Tax liens.....	1,452,109	1,361,709
Motor vehicle and other excise taxes.....	7,342,213	7,234,618
Community preservation tax.....	1,898,826	1,802,456
Penalties and interest on taxes.....	708,936	715,245
Payments in lieu of taxes.....	60,193	69,883
Grants and contributions not restricted to specific programs.....	5,964,414	5,790,633
Unrestricted investment income.....	394,334	793,292
Gain/(loss) on sale of capital assets.....	-	100,000
Other.....	8,059	15,095
Total revenues.....	<u><b>217,595,470</b></u>	<u><b>207,262,559</b></u>
<b>Expenses:</b>		
General government.....	(13,856,988)	(13,316,807)
Public safety.....	(37,038,241)	(35,961,958)
Education.....	(157,460,692)	(146,678,155)
Public works.....	(15,575,704)	(12,224,988)
Human services.....	(2,160,565)	(2,131,201)
Culture and recreation.....	(4,711,034)	(4,506,897)
Community preservation.....	(1,014,023)	(695,362)
Interest.....	(3,365,189)	(3,362,466)
Total expenses.....	<u><b>(235,182,436)</b></u>	<u><b>(218,877,834)</b></u>
<b>Transfers.....</b>	<u><b>441,889</b></u>	<u><b>1,867,435</b></u>
<b>Change in net position.....</b>	<b>(17,145,077)</b>	<b>(9,747,840)</b>
<b>Net position - beginning.....</b>	<u><b>186,573,926</b></u>	<u><b>196,321,766</b></u>
<b>Net position - ending.....</b>	<u><u><b>\$ 169,428,849</b></u></u>	<u><u><b>\$ 186,573,926</b></u></u>

### Business-type Activities

Business-type assets exceeded liabilities by \$71.3 million at June 30, 2014. Net investment in capital assets was \$62.6 million. The remaining balance of *unrestricted* net position of \$8.7 million may be used to meet the enterprise funds' ongoing obligations.

There was an increase of \$381,000 in net position reported in connection with the water, sewer, airport, and solid waste business-type activities. Condensed financial data for 2014 and 2013 are presented below:

	<b>2014</b>	<b>2013</b>
	<b>Business-type</b>	<b>Business-type</b>
	<b>Activities</b>	<b>Activities</b>
	<u>                    </u>	<u>                    </u>
<b>Assets:</b>		
Current assets.....	\$ 15,559,786	\$ 13,194,938
Noncurrent assets (excluding capital).....	4,370,723	5,133,771
Capital assets.....	85,443,493	84,969,243
Total assets.....	<u><b>105,374,002</b></u>	<u><b>103,297,952</b></u>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	1,948,471	1,141,051
Noncurrent liabilities (excluding debt).....	2,714,569	3,238,922
Current debt.....	7,438,107	3,243,821
Noncurrent debt.....	21,920,931	25,453,058
Total liabilities.....	<u><b>34,022,078</b></u>	<u><b>33,076,852</b></u>
<b>Net Position:</b>		
Net investment in capital assets.....	62,609,804	62,736,122
Unrestricted.....	8,742,120	7,484,978
Total net position.....	<u><b>\$ 71,351,924</b></u>	<u><b>\$ 70,221,100</b></u>
<b>Program revenues:</b>		
Charges for services.....	\$ 13,007,206	\$ 13,230,154
Operating grants and contributions.....	672,330	31,947
Capital grants and contributions.....	310,876	1,934,316
<b>General Revenues:</b>		
Unrestricted investment income.....	20,614	87,331
Total revenues.....	<u><b>14,011,026</b></u>	<u><b>15,283,748</b></u>
<b>Expenses:</b>		
Water.....	(3,649,039)	(3,457,591)
Sewer.....	(4,336,630)	(4,579,445)
Airport.....	(2,772,607)	(2,841,763)
Solid waste.....	(1,680,037)	(1,033,143)
Total expenses.....	<u><b>(12,438,313)</b></u>	<u><b>(11,911,942)</b></u>
<b>Transfers.....</b>	<u><b>(441,889)</b></u>	<u><b>(1,867,435)</b></u>
<b>Change in net position.....</b>	<b>1,130,824</b>	<b>1,504,371</b>
<b>Net position - beginning.....</b>	<u><b>70,221,100</b></u>	<u><b>68,716,729</b></u>
<b>Net position - ending.....</b>	<u><b>\$ 71,351,924</b></u>	<u><b>\$ 70,221,100</b></u>

The water enterprise net position decreased by \$752,000 during the year. The change is attributable to depreciation expense exceeding debt principal payments by \$718,000.

The sewer enterprise net position increased by \$882,000 during the year. The change is attributable to the depreciation expense exceeding debt principal payments by \$277,000 and positive operating results.

The airport enterprise net position decreased by \$365,000 during the year. The change is attributable to the increase of \$85,000 in the liability related to GASB Statement #45 and depreciation expense of \$590,000 offset by capital contributions from grants of \$311,000.

The solid waste enterprise net position increased by \$1.4 million during the year. The change is attributable to a capital contribution of \$1.5 million. The capital contribution is the result of transferring the landfill long-term debt obligations, the corresponding Massachusetts Clean Water Trust (MCWT) receivable, and the liability for post-closure costs to governmental activities. This is reported as a capital contribution on the fund based financial statements and as a net transfer in the entity-wide financial statements.

## ***Financial Analysis of the Government's Funds***

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

**Governmental funds.** The focus of the Town 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 Town of Plymouth's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of the current year, governmental funds reported combined ending fund balances of \$39.3 million a decrease of \$3.7 million in comparison with the prior year. This decrease is primarily attributable to the timing of expenditures relating to various Town and School related capital projects and the corresponding receipt of bond proceeds to fund the projects, offset by the general fund surplus.

The general fund is the chief operating fund. At the end of the year, unassigned fund balance of the general fund totaled \$21.7 million which was comprised of three components: a general fund balance of \$11.9 million and a stabilization fund balance of \$9.8 million (this includes both the general stabilization fund balance of \$8.8 million and the Nuclear Plant Mitigation stabilization fund balance of \$1.0 million). Assigned fund balance, which represents amounts designated for the 2015 budget as well as amounts that have been reserved for the use of liquidating prior period purchase orders and contracts totaled \$5.3 million. Committed fund balance, which represents the Town's various capital articles, totaled \$3.2 million. Fund balance of \$2.5 million represents bond premiums that are restricted for future debt service. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. At year-end unassigned fund balance equaled 11.1% of total general fund expenditures, while total fund balance equaled 16.7% of the same amount.

The current year general fund net change in fund balance was an increase of \$4.2 million. This is mainly due to favorable budgetary results.

The stabilization funds are classified as part of the general fund unassigned fund balance in the governmental funds financial statements. Please refer to note 10 for additional information.

The *community preservation fund* is used to account for funds received in accordance with the Massachusetts Community Preservation Act (the "CPA"). At the end of the year, the fund had an accumulated fund balance of \$4.0 million; this is an increase of \$1.4 million from the prior year. This is mainly due to the timing of the expenditures of CPA funds on the various ongoing projects.

The *school capital articles fund* is used to account for all financial resources for school related capital projects. At the end of the current year, the fund had an accumulated fund deficit of \$3.8 million; a decrease of \$3.8 million. This is due to the timing of the expenditures on various projects. The deficit is expected to be funded with bond proceeds in future years.

The *excluded debt projects fund* is used to account for all financial resources appropriated to fund projects that are funded using debt exclusions. At the end of the current year, the fund had an accumulated fund deficit of \$5.6 million; a decrease of \$5.0 million. The decrease is due to the timing of current year expenditures. The deficit is expected to be funded with bond proceeds in future years.

The *internal service governmental fund* provides for health insurance coverage for the Town's employees. Results of operations report a decrease in net position of \$2.1 million in 2014 and an accumulated net position of \$2.1 million. The decrease is due to an operating loss of \$2.2 million offset by the receipt of \$66,000 of investment income.

### ***Pension and Other Employee Benefits Financial Highlights***

The Plymouth Contributory Retirement System (the System) was established to provide retirement benefits to Town employees, the Town Housing Authority employees, and their beneficiaries. The System is presented using the accrual basis of accounting and is reported as a pension trust fund in the fiduciary fund financial statements. At the end of the year, the system had accumulated net position of \$140.1 million. This represents an increase of \$19.9 million from the previous year. The increase was the result of favorable market conditions that resulted in a net change in fair value of investments of \$22.3 million offset by an increase in retirement benefits.

The Other Postemployment Benefit Trust fund (the Trust) was established during 2012 to account for assets relating to the pre-funding of the Town's Other Postemployment Benefit liability. During 2014, the fund reported \$147,000 of employer contributions and earned \$33,000 in investment income resulting in accumulated net position of \$818,000 at the end of the year.

### ***General Fund Budgetary Highlights***

The \$2.2 million increase between the original budget and the final amended budget was mainly due to appropriation increases in public safety, public works, and employee benefits.

### ***Capital Asset and Debt Administration***

In conjunction with the operating budget, the Town annually prepares a capital budget for the upcoming year and a five-year Capital Improvement Plan (CIP) that is used as a guide for future capital expenditures.

Outstanding governmental long-term debt, as of June 30, 2014, totaled \$85.4 million, of which approximately \$45.9 million relates to various school construction projects, \$11.7 million relates to buildings, \$19.2 million relates to other school projects, \$1.7 million relates to departmental equipment, leaving a balance of approximately \$6.9 million for various projects.

The enterprise funds have \$18.7 million in sewer debt and \$5.9 million in water debt that are supported by the rates.

The Town's major capital projects relate to school renovation projects, equipment purchases, and water main projects. These projects will continue through 2015.

Please refer to the notes for further discussion of the major capital and debt activity.

## ***Requests for Information***

This financial report is designed to provide a general overview of the Town 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 Director of Municipal Finance, Town Hall, 11 Lincoln Street, Plymouth, Massachusetts 02360.

# ***Basic Financial Statements***

**STATEMENT OF NET POSITION**

JUNE 30, 2014

	<i>Primary Government</i>			<i>Component Unit</i>
	Governmental Activities	Business-type Activities	Total	Plymouth Growth & Development
<b>ASSETS</b>				
<b>CURRENT:</b>				
Cash and cash equivalents.....	\$ 44,591,712	\$ 7,660,158	\$ 52,251,870	\$ 1,121,471
Investments.....	16,942,687	3,402,684	20,345,371	-
Receivables, net of allowance for uncollectibles:				
Real estate and personal property taxes.....	2,465,883	-	2,465,883	-
Tax liens.....	960,537	-	960,537	-
Motor vehicle excise taxes.....	858,639	-	858,639	-
User fees.....	-	3,879,534	3,879,534	-
Departmental and other.....	41,171	85,400	126,571	-
Special assessments.....	779,394	-	779,394	-
Intergovernmental.....	6,076,167	532,010	6,608,177	-
Parking tickets.....	-	-	-	78,465
Tax foreclosures.....	1,512,973	-	1,512,973	-
Working capital deposit.....	172,900	-	172,900	-
Other assets.....	-	-	-	25,181
Prepaid expenses.....	-	-	-	20,684
<b>NONCURRENT:</b>				
Receivables, net of allowance for uncollectibles:				
Intergovernmental.....	8,351,606	4,370,723	12,722,329	-
Capital assets, net of accumulated depreciation:				
Nondepreciable.....	103,380,173	20,340,520	123,720,693	-
Depreciable.....	209,802,903	65,102,973	274,905,876	286,467
<b>TOTAL ASSETS.....</b>	<b>395,936,745</b>	<b>105,374,002</b>	<b>501,310,747</b>	<b>1,532,268</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charges on refunding.....	470,546	-	470,546	-
<b>LIABILITIES</b>				
<b>CURRENT:</b>				
Warrants payable.....	5,590,288	874,177	6,464,465	42,240
Accrued payroll.....	893,694	44,823	938,517	5,062
Health claims payable.....	2,200,000	-	2,200,000	-
Tax refunds payable.....	271,000	-	271,000	-
Accrued interest.....	584,125	158,126	742,251	-
Payroll withholdings.....	3,461	-	3,461	-
Abandoned property.....	91,206	-	91,206	-
Other liabilities.....	204,388	860,745	1,065,133	-
Landfill closure.....	50,000	-	50,000	-
Compensated absences.....	160,400	10,600	171,000	8,562
Notes payable.....	13,813,000	4,514,800	18,327,800	-
Bonds payable.....	7,391,442	2,923,307	10,314,749	-
<b>NONCURRENT:</b>				
Landfill closure.....	700,000	-	700,000	-
Compensated absences.....	1,443,600	95,400	1,539,000	-
Other postemployment benefits.....	109,464,084	2,619,169	112,083,253	-
Bonds payable.....	84,117,754	21,920,931	106,038,685	-
<b>TOTAL LIABILITIES.....</b>	<b>226,978,442</b>	<b>34,022,078</b>	<b>261,000,520</b>	<b>55,864</b>
<b>NET POSITION</b>				
Net investment in capital assets.....	222,839,023	62,609,804	285,448,827	286,467
Restricted for:				
Permanent funds:				
Expendable.....	348,612	-	348,612	-
Nonexpendable.....	1,359,193	-	1,359,193	-
Grants and Gifts.....	4,281,999	-	4,281,999	-
Unrestricted.....	(59,399,978)	8,742,120	(50,657,858)	1,189,937
<b>TOTAL NET POSITION.....</b>	<b>\$ 169,428,849</b>	<b>\$ 71,351,924</b>	<b>\$ 240,780,773</b>	<b>\$ 1,476,404</b>

See notes to basic financial statements.

**STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
<i>Governmental Activities:</i>					
General government.....	\$ 13,856,988	\$ 3,377,108	\$ 1,081,656	\$ -	\$ (9,398,224)
Public safety.....	37,038,241	4,444,787	258,029	440,000	(31,895,425)
Education.....	157,460,692	4,536,657	48,715,316	-	(104,208,719)
Public works.....	15,575,704	1,626,636	2,275,645	1,730,198	(9,943,225)
Human services.....	2,160,565	597,790	128,077	-	(1,434,698)
Culture and recreation.....	4,711,034	861,472	288,583	-	(3,560,979)
Community preservation.....	1,014,023	-	-	587,017	(427,006)
Interest.....	3,365,189	-	451,761	-	(2,913,428)
<b>Total Governmental Activities.....</b>	<b>235,182,436</b>	<b>15,444,450</b>	<b>53,199,067</b>	<b>2,757,215</b>	<b>(163,781,704)</b>
<i>Business-Type Activities:</i>					
Water.....	3,649,039	4,029,915	11,459	-	392,335
Sewer.....	4,336,630	4,856,946	660,871	-	1,181,187
Airport.....	2,772,607	2,275,229	-	310,876	(186,502)
Solid waste.....	1,680,037	1,845,116	-	-	165,079
<b>Total Business-Type Activities.....</b>	<b>12,438,313</b>	<b>13,007,206</b>	<b>672,330</b>	<b>310,876</b>	<b>1,552,099</b>
<b>Total Primary Government.....</b>	<b>\$ 247,620,749</b>	<b>\$ 28,451,656</b>	<b>\$ 53,871,397</b>	<b>\$ 3,068,091</b>	<b>\$ (162,229,605)</b>
<b>Component Unit:</b>					
Plymouth Growth & Development.....	\$ 735,250	\$ 1,013,642	\$ -	\$ -	\$ 278,392

See notes to basic financial statements.

(Continued)

**STATEMENT OF ACTIVITIES (Continued)**

YEAR ENDED JUNE 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Plymouth Growth & Development
<b>Changes in net position:</b>				
Net (expense) revenue from previous page.....	\$ <b>(163,781,704)</b>	\$ <b>1,552,099</b>	\$ <b>(162,229,605)</b>	\$ <b>278,392</b>
<i>General revenues:</i>				
Real estate and personal property taxes, net of tax refunds payable.....	128,365,654	-	128,365,654	-
Tax liens.....	1,452,109	-	1,452,109	-
Motor vehicle and other excise taxes.....	7,342,213	-	7,342,213	-
Community preservation tax.....	1,898,826	-	1,898,826	-
Penalties and interest on taxes.....	708,936	-	708,936	-
Payments in lieu of taxes.....	60,193	-	60,193	-
Grants and contributions not restricted to specific programs.....	5,964,414	-	5,964,414	-
Unrestricted investment income.....	394,334	20,614	414,948	546
Miscellaneous.....	8,059	-	8,059	-
<i>Transfers, net</i> .....	441,889	(441,889)	-	-
Total general revenues and transfers.....	146,636,627	(421,275)	146,215,352	546
Change in net position.....	(17,145,077)	1,130,824	(16,014,253)	278,938
<i>Net Position:</i>				
Beginning of year.....	186,573,926	70,221,100	256,795,026	1,197,466
End of year.....	\$ <u>169,428,849</u>	\$ <u>71,351,924</u>	\$ <u>240,780,773</u>	\$ <u>1,476,404</u>

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

JUNE 30, 2014

	General	Community Preservation	School Capital Articles	Excluded Debt Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents.....	\$ 24,618,308	\$ 3,029,701	\$ 3,900,715	\$ 802,649	\$ 11,540,373	\$ 43,891,746
Investments.....	10,831,517	992,860	-	-	1,442,499	13,266,876
Receivables, net of uncollectibles:						
Real estate and personal property taxes.....	2,465,883	-	-	-	-	2,465,883
Tax liens.....	948,817	9,736	-	-	1,984	960,537
Motor vehicle excise taxes.....	858,639	-	-	-	-	858,639
Departmental and other.....	-	26,526	-	-	-	26,526
Special assessments.....	-	-	-	-	779,394	779,394
Intergovernmental.....	9,804,284	594,787	-	-	4,028,702	14,427,773
Tax foreclosures.....	1,512,973	-	-	-	-	1,512,973
<b>TOTAL ASSETS.....</b>	<b>\$ 51,040,421</b>	<b>\$ 4,653,610</b>	<b>\$ 3,900,715</b>	<b>\$ 802,649</b>	<b>\$ 17,792,952</b>	<b>\$ 78,190,347</b>
<b>LIABILITIES</b>						
Warrants payable.....	\$ 2,838,580	\$ 12,413	\$ 1,660,595	\$ 106,881	\$ 919,123	\$ 5,537,592
Accrued payroll.....	847,095	-	-	-	46,599	893,694
Tax refunds payable.....	271,000	-	-	-	-	271,000
Payroll withholdings.....	3,461	-	-	-	-	3,461
Abandoned property.....	91,206	-	-	-	-	91,206
Notes payable.....	-	-	6,043,000	6,300,000	1,470,000	13,813,000
<b>TOTAL LIABILITIES.....</b>	<b>4,051,342</b>	<b>12,413</b>	<b>7,703,595</b>	<b>6,406,881</b>	<b>2,435,722</b>	<b>20,609,953</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues.....	14,326,443	631,049	-	-	3,292,989	18,250,481
<b>FUND BALANCES</b>						
Nonspendable.....	-	-	-	-	1,359,193	1,359,193
Restricted.....	2,497,896	4,010,148	-	-	11,374,468	17,882,512
Committed.....	3,224,673	-	-	-	-	3,224,673
Assigned.....	5,267,716	-	-	-	-	5,267,716
Unassigned.....	21,672,351	-	(3,802,880)	(5,604,232)	(669,420)	11,595,819
<b>TOTAL FUND BALANCES (DEFICITS).....</b>	<b>32,662,636</b>	<b>4,010,148</b>	<b>(3,802,880)</b>	<b>(5,604,232)</b>	<b>12,064,241</b>	<b>39,329,913</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....</b>	<b>\$ 51,040,421</b>	<b>\$ 4,653,610</b>	<b>\$ 3,900,715</b>	<b>\$ 802,649</b>	<b>\$ 17,792,952</b>	<b>\$ 78,190,347</b>

See notes to basic financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION**

YEAR ENDED JUNE 30, 2014

Total governmental fund balances.....		\$ 39,329,913
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		313,183,076
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		18,250,481
Internal service funds are used by management to account for retirees' health insurance and workers' compensation activities.		
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....		2,106,238
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(584,125)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Bonds payable.....	(91,509,196)	
Landfill closure.....	(750,000)	
Other postemployment benefits.....	(109,464,084)	
Compensated absences.....	<u>(1,604,000)</u>	
Net effect of reporting long-term liabilities.....		(203,327,280)
In the statement of activities, deferred charges are reported for refundings of debt, which are amortized over the shorter of the remaining life of the refunding bonds or refunded bonds. In governmental funds, defeasances of debt are expensed when the refunding bonds are issued.....		<u>470,546</u>
Net position of governmental activities.....		<u>\$ 169,428,849</u>

See notes to basic financial statements.

**GOVERNMENTAL FUNDS**  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2014

	General	Community Preservation	School Capital Articles	Excluded Debt Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>						
Real estate and personal property taxes, net of tax refunds.....	\$ 128,586,481	\$ -	\$ -	\$ -	\$ -	\$ 128,586,481
Tax liens.....	1,517,490	-	-	-	-	1,517,490
Motor vehicle and other excise taxes.....	7,855,342	-	-	-	-	7,855,342
Community preservation tax.....	-	1,898,826	-	-	-	1,898,826
Penalties and interest on taxes.....	708,936	-	-	-	-	708,936
Payments in lieu of taxes.....	60,193	-	-	-	-	60,193
Fines and forfeitures.....	-	-	-	-	4,100	4,100
Intergovernmental - federal.....	470,640	-	-	-	7,735,354	8,205,994
Intergovernmental - state.....	48,638,297	942,963	-	-	4,519,315	54,100,575
Departmental and other.....	7,995,278	-	-	-	7,452,003	15,447,281
Contributions.....	-	-	-	-	504,337	504,337
Investment income/(loss).....	299,454	(10,382)	-	-	38,821	327,893
<b>TOTAL REVENUES.....</b>	<b>196,132,111</b>	<b>2,831,407</b>	<b>-</b>	<b>-</b>	<b>20,253,930</b>	<b>219,217,448</b>
<b>EXPENDITURES:</b>						
Current:						
General government.....	8,975,745	-	-	-	1,043,847	10,019,592
Public safety.....	19,499,570	-	-	-	1,730,876	21,230,446
Education.....	85,652,340	-	3,795,036	4,899,956	11,009,703	105,357,035
Public works.....	7,915,924	-	-	-	4,879,768	12,795,692
Human services.....	1,481,237	-	-	54,287	169,229	1,704,753
Culture and recreation.....	2,395,382	-	-	-	728,379	3,123,761
Community preservation.....	-	1,444,699	-	-	-	1,444,699
Pension benefits.....	25,643,041	-	-	-	-	25,643,041
Employee benefits.....	31,347,072	-	-	-	-	31,347,072
State and county charges.....	991,611	-	-	-	-	991,611
Debt service:						
Principal.....	7,187,566	-	-	-	-	7,187,566
Interest.....	4,029,565	-	-	-	-	4,029,565
<b>TOTAL EXPENDITURES.....</b>	<b>195,119,053</b>	<b>1,444,699</b>	<b>3,795,036</b>	<b>4,954,243</b>	<b>19,561,802</b>	<b>224,874,833</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>1,013,058</b>	<b>1,386,708</b>	<b>(3,795,036)</b>	<b>(4,954,243)</b>	<b>692,128</b>	<b>(5,657,385)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in.....	3,232,136	-	9,309	-	12,832	3,254,277
Transfers out.....	(22,141)	-	-	-	(1,286,553)	(1,308,694)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>3,209,995</b>	<b>-</b>	<b>9,309</b>	<b>-</b>	<b>(1,273,721)</b>	<b>1,945,583</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>4,223,053</b>	<b>1,386,708</b>	<b>(3,785,727)</b>	<b>(4,954,243)</b>	<b>(581,593)</b>	<b>(3,711,802)</b>
<b>FUND BALANCES (DEFICITS) AT BEGINNING OF YEAR.....</b>	<b>28,439,583</b>	<b>2,623,440</b>	<b>(17,153)</b>	<b>(649,989)</b>	<b>12,645,834</b>	<b>43,041,715</b>
<b>FUND BALANCES (DEFICITS) AT END OF YEAR.....</b>	<b>\$ 32,662,636</b>	<b>\$ 4,010,148</b>	<b>\$ (3,802,880)</b>	<b>\$ (5,604,232)</b>	<b>\$ 12,064,241</b>	<b>\$ 39,329,913</b>

See notes to basic financial statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2014

Net change in fund balances - total governmental funds.....		\$ (3,711,802)
<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.</p>		
Capital outlay.....	14,785,804	
Depreciation expense.....	<u>(9,759,591)</u>	
Net effect of reporting capital assets.....		5,026,213
<p>Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in unavailable revenue.....</p>		
		(1,427,113)
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Debt service principal payments.....	7,187,566	
Amortization of bond premiums.....	791,634	
Transfer of landfill long-term debt obligations.....	<u>(965,000)</u>	
Net effect of reporting long-term debt.....		7,014,200
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Net change in compensated absences accrual.....	35,000	
Net change in accrued interest on long-term debt.....	29,336	
Net change in landfill closure accrual.....	(750,000)	
Net change in other postemployment benefit accrual.....	(21,074,150)	
Amortization of deferred charge on refunding.....	<u>(156,594)</u>	
Net effect of recording long-term liabilities and amortizing deferred losses.....		(21,916,408)
<p>Internal service funds are used by management to account for health insurance and workers' compensation activities.</p>		
The net activity of internal service funds is reported with Governmental Activities.....		<u>(2,130,167)</u>
Change in net position of governmental activities.....		<u>\$ (17,145,077)</u>

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**

JUNE 30, 2014

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Airport	Solid Waste	Total	
<b>ASSETS</b>						
<b>CURRENT:</b>						
Cash and cash equivalents.....	\$ 2,311,334	\$ 2,524,993	\$ 710,388	\$ 2,113,443	\$ 7,660,158	\$ 699,966
Investments.....	2,650,152	752,532	-	-	3,402,684	3,675,811
Receivables, net of allowance for uncollectibles:						
User fees.....	1,842,983	2,036,551	-	-	3,879,534	-
Departmental and other.....	-	-	-	85,400	85,400	14,645
Intergovernmental.....	10,223	521,787	-	-	532,010	-
Working capital deposit.....	-	-	-	-	-	172,900
<b>Total current assets.....</b>	<b>6,814,692</b>	<b>5,835,863</b>	<b>710,388</b>	<b>2,198,843</b>	<b>15,559,786</b>	<b>4,563,322</b>
<b>NONCURRENT:</b>						
Receivables, net of allowance for uncollectibles:						
Intergovernmental.....	80,393	4,290,330	-	-	4,370,723	-
Capital assets, net of accumulated depreciation.....						
Nondepreciable.....	17,498,280	561,562	2,280,678	-	20,340,520	-
Depreciable.....	22,922,115	32,701,675	8,705,281	773,902	65,102,973	-
<b>Total noncurrent assets.....</b>	<b>40,500,788</b>	<b>37,553,567</b>	<b>10,985,959</b>	<b>773,902</b>	<b>89,814,216</b>	<b>-</b>
<b>TOTAL ASSETS.....</b>	<b>47,315,480</b>	<b>43,389,430</b>	<b>11,696,347</b>	<b>2,972,745</b>	<b>105,374,002</b>	<b>4,563,322</b>
<b>LIABILITIES</b>						
<b>CURRENT:</b>						
Warrants payable.....	593,107	156,967	4,596	119,507	874,177	52,696
Accrued payroll.....	23,908	5,256	9,222	6,437	44,823	-
Health claims payable.....	-	-	-	-	-	2,200,000
Accrued interest.....	28,532	129,594	-	-	158,126	-
Other liabilities.....	-	-	38,710	822,035	860,745	204,388
Compensated absences.....	3,900	2,300	3,200	1,200	10,600	-
Notes payable.....	2,435,000	2,079,800	-	-	4,514,800	-
Bonds payable.....	660,664	2,262,643	-	-	2,923,307	-
<b>Total current liabilities.....</b>	<b>3,745,111</b>	<b>4,636,560</b>	<b>55,728</b>	<b>949,179</b>	<b>9,386,578</b>	<b>2,457,084</b>
<b>NONCURRENT:</b>						
Compensated absences.....	35,100	20,700	28,800	10,800	95,400	-
Other postemployment benefits.....	1,341,053	363,669	524,943	389,504	2,619,169	-
Bonds payable.....	5,510,516	16,410,415	-	-	21,920,931	-
<b>Total noncurrent liabilities.....</b>	<b>6,886,669</b>	<b>16,794,784</b>	<b>553,743</b>	<b>400,304</b>	<b>24,635,500</b>	<b>-</b>
<b>TOTAL LIABILITIES.....</b>	<b>10,631,780</b>	<b>21,431,344</b>	<b>609,471</b>	<b>1,349,483</b>	<b>34,022,078</b>	<b>2,457,084</b>
<b>NET POSITION</b>						
Net investment in capital assets.....	33,527,447	17,322,496	10,985,959	773,902	62,609,804	-
Unrestricted.....	3,156,253	4,635,590	100,917	849,360	8,742,120	2,106,238
<b>TOTAL NET POSITION.....</b>	<b>\$ 36,683,700</b>	<b>\$ 21,958,086</b>	<b>\$ 11,086,876</b>	<b>\$ 1,623,262</b>	<b>\$ 71,351,924</b>	<b>\$ 2,106,238</b>

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

YEAR ENDED JUNE 30, 2014

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Airport	Solid Waste	Total	
<b>OPERATING REVENUES:</b>						
Employee contributions.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,376,109
Employer contributions.....	-	-	-	-	-	27,088,946
Charges for services.....	4,029,915	4,856,946	38,738	1,841,339	10,766,938	-
Fuel sales.....	-	-	1,981,949	-	1,981,949	-
Rentals.....	-	-	254,542	-	254,542	-
Other.....	-	-	-	3,777	3,777	14,645
<b>TOTAL OPERATING REVENUES</b> .....	<b>4,029,915</b>	<b>4,856,946</b>	<b>2,275,229</b>	<b>1,845,116</b>	<b>13,007,206</b>	<b>32,479,700</b>
<b>OPERATING EXPENSES:</b>						
Cost of services and administration.....	2,089,392	2,421,540	2,182,253	1,595,316	8,288,501	-
Depreciation.....	1,323,813	935,093	590,354	83,466	2,932,726	-
Employee benefits .....	-	-	-	-	-	34,676,308
<b>TOTAL OPERATING EXPENSES</b> .....	<b>3,413,205</b>	<b>3,356,633</b>	<b>2,772,607</b>	<b>1,678,782</b>	<b>11,221,227</b>	<b>34,676,308</b>
<b>OPERATING INCOME (LOSS)</b> .....	<b>616,710</b>	<b>1,500,313</b>	<b>(497,378)</b>	<b>166,334</b>	<b>1,785,979</b>	<b>(2,196,608)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Investment income/(loss).....	7,913	6,843	1,490	4,368	20,614	66,441
Interest expense.....	(235,834)	(979,997)	-	(1,255)	(1,217,086)	-
Intergovernmental - state.....	11,459	660,871	-	-	672,330	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES), NET</b> .....	<b>(216,462)</b>	<b>(312,283)</b>	<b>1,490</b>	<b>3,113</b>	<b>(524,142)</b>	<b>66,441</b>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b> .....	<b>400,248</b>	<b>1,188,030</b>	<b>(495,888)</b>	<b>169,447</b>	<b>1,261,837</b>	<b>(2,130,167)</b>
<b>CAPITAL CONTRIBUTIONS</b> .....	<b>-</b>	<b>-</b>	<b>310,876</b>	<b>1,503,694</b>	<b>1,814,570</b>	<b>-</b>
<b>TRANSFERS:</b>						
Transfers out.....	(1,152,634)	(306,467)	(179,979)	(306,503)	(1,945,583)	-
<b>CHANGE IN NET POSITION</b> .....	<b>(752,386)</b>	<b>881,563</b>	<b>(364,991)</b>	<b>1,366,638</b>	<b>1,130,824</b>	<b>(2,130,167)</b>
<b>NET POSITION AT BEGINNING OF YEAR</b> .....	<b>37,436,086</b>	<b>21,076,523</b>	<b>11,451,867</b>	<b>256,624</b>	<b>70,221,100</b>	<b>4,236,405</b>
<b>NET POSITION AT END OF YEAR</b> .....	<b>\$ 36,683,700</b>	<b>\$ 21,958,086</b>	<b>\$ 11,086,876</b>	<b>\$ 1,623,262</b>	<b>\$ 71,351,924</b>	<b>\$ 2,106,238</b>

See notes to basic financial statements.

**PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS**

YEAR ENDED JUNE 30, 2014

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Airport	Solid Waste	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Receipts from customers and users.....	\$ 3,974,639	\$ 4,403,769	\$ 2,275,229	\$ 1,849,716	\$ 12,503,353	\$ -
Receipts from interfund services provided.....	-	-	-	-	-	32,693,562
Payments to vendors.....	(878,887)	(2,052,767)	(1,653,565)	(796,093)	(5,381,312)	-
Payments to employees.....	(921,371)	(264,272)	(403,083)	(296,241)	(1,884,967)	-
Payments for interfund services used.....	-	-	-	-	-	(34,515,233)
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>2,174,381</b>	<b>2,086,730</b>	<b>218,581</b>	<b>757,382</b>	<b>5,237,074</b>	<b>(1,821,671)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Transfers out.....	(1,152,634)	(306,467)	(179,979)	(306,503)	(1,945,583)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Proceeds from the issuance of bonds and notes.....	2,435,000	2,079,800	-	-	4,514,800	-
Capital contributions.....	-	-	310,876	-	310,876	-
Acquisition and construction of capital assets.....	(1,401,816)	(985,985)	(318,844)	(327,848)	(3,034,493)	-
Principal payments on bonds and notes.....	(605,513)	(1,897,620)	-	(49,583)	(2,552,716)	-
Interest expense.....	(269,808)	(338,921)	-	(1,488)	(610,217)	-
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....</b>	<b>157,863</b>	<b>(1,142,726)</b>	<b>(7,968)</b>	<b>(378,919)</b>	<b>(1,371,750)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Net proceeds from purchase/sales of investments.....	(2,152,919)	(752,532)	-	-	(2,905,451)	(3,070,146)
Investment income/(loss).....	7,913	6,843	1,490	4,368	20,614	66,441
<b>NET CASH FROM INVESTING ACTIVITIES.....</b>	<b>(2,145,006)</b>	<b>(745,689)</b>	<b>1,490</b>	<b>4,368</b>	<b>(2,884,837)</b>	<b>(3,003,705)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>(965,396)</b>	<b>(108,152)</b>	<b>32,124</b>	<b>76,328</b>	<b>(965,096)</b>	<b>(4,825,376)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....</b>	<b>3,276,730</b>	<b>2,633,145</b>	<b>678,264</b>	<b>2,037,115</b>	<b>8,625,254</b>	<b>5,525,342</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR.....</b>	<b>\$ 2,311,334</b>	<b>\$ 2,524,993</b>	<b>\$ 710,388</b>	<b>\$ 2,113,443</b>	<b>\$ 7,660,158</b>	<b>\$ 699,966</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</b>						
Operating income (loss).....	\$ 616,710	\$ 1,500,313	\$ (497,378)	\$ 166,334	\$ 1,785,979	\$ (2,196,608)
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Depreciation.....	1,323,813	935,093	590,354	83,466	2,932,726	-
Changes in assets and liabilities:						
User fees.....	(55,276)	(453,177)	-	-	(508,453)	-
Departmental and other.....	-	-	-	4,600	4,600	(14,645)
Working capital deposit.....	-	-	-	-	-	(6,700)
Other assets.....	-	-	-	-	-	228,507
Warrants payable.....	17,771	88,487	607	42,383	149,248	21,431
Other postemployment benefits.....	262,363	24,886	85,436	104,542	477,227	-
Accrued payroll.....	7,000	1,128	852	(1,558)	7,422	-
Health claims payable.....	-	-	-	-	-	104,000
Other liabilities.....	-	-	38,710	355,615	394,325	42,344
Accrued compensated absences.....	2,000	(10,000)	-	2,000	(6,000)	-
<b>Total adjustments.....</b>	<b>1,557,671</b>	<b>586,417</b>	<b>715,959</b>	<b>591,048</b>	<b>3,451,095</b>	<b>374,937</b>
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>\$ 2,174,381</b>	<b>\$ 2,086,730</b>	<b>\$ 218,581</b>	<b>\$ 757,382</b>	<b>\$ 5,237,074</b>	<b>\$ (1,821,671)</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>						
Principal and interest intergovernmental subsidies.....	\$ (21,446)	\$ (1,231,990)	\$ -	\$ -	\$ (1,253,436)	\$ -
Net capital contribution transfer.....	-	-	-	(1,503,694)	(1,503,694)	-

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2014

	Pension Trust Fund (as of December 31, 2013)	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds	Agency Funds
<b>ASSETS</b>				
<b>CURRENT:</b>				
Cash and cash equivalents.....	\$ 1,378,866	\$ 8,563	\$ 365,207	\$ 1,441,061
Investments.....	138,837,114	809,049	2,231,961	-
Prepaid expenses.....	9,331	-	-	-
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	27,630	-	-	-
<b>TOTAL ASSETS.....</b>	<b>140,252,941</b>	<b>817,612</b>	<b>2,597,168</b>	<b>1,441,061</b>
<b>LIABILITIES</b>				
Warrants payable.....	172,444	-	-	40,321
Liabilities due depositors.....	-	-	-	1,400,740
<b>TOTAL LIABILITIES.....</b>	<b>172,444</b>	<b>-</b>	<b>-</b>	<b>1,441,061</b>
<b>NET POSITION</b>				
Held in trust for:				
Pension benefits.....	140,080,497	-	-	-
Other postemployment benefits.....	-	817,612	-	-
Other purposes.....	-	-	2,597,168	-
<b>TOTAL NET POSITION.....</b>	<b>\$ 140,080,497</b>	<b>\$ 817,612</b>	<b>\$ 2,597,168</b>	<b>\$ -</b>

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2014

	Pension Trust Fund (as of December 31, 2013)	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds
<b>ADDITIONS:</b>			
Contributions:			
Employer.....	\$ 9,222,482	\$ 146,564	\$ -
Employee.....	3,586,892	-	-
Private donations.....	-	-	5,000
Interest not refunded.....	15,583	-	-
Miscellaneous.....	16,087	-	-
<b>Total contributions.....</b>	<b>12,841,044</b>	<b>146,564</b>	<b>5,000</b>
Net investment income (loss):			
Net change in fair value of investments.....	20,470,966	33,312	-
Interest.....	3,024,714	-	(9,908)
<b>Total investment income (loss).....</b>	<b>23,495,680</b>	<b>33,312</b>	<b>(9,908)</b>
Less: investment expense.....	(1,203,522)	-	-
<b>Net investment income (loss).....</b>	<b>22,292,158</b>	<b>33,312</b>	<b>(9,908)</b>
Intergovernmental.....	249,314	-	-
Transfers from other systems.....	347,174	-	-
<b>TOTAL ADDITIONS.....</b>	<b>35,729,690</b>	<b>179,876</b>	<b>(4,908)</b>
<b>DEDUCTIONS:</b>			
Administration.....	482,406	-	-
Transfers to other systems.....	613,773	-	-
Retirement benefits and refunds.....	14,750,168	-	-
Educational scholarships.....	-	-	73,750
<b>TOTAL DEDUCTIONS.....</b>	<b>15,846,347</b>	<b>-</b>	<b>73,750</b>
<b>CHANGE IN NET POSITION.....</b>	<b>19,883,343</b>	<b>179,876</b>	<b>(78,658)</b>
<b>NET POSITION AT BEGINNING OF YEAR.....</b>	<b>120,197,154</b>	<b>637,736</b>	<b>2,675,826</b>
<b>NET POSITION AT END OF YEAR.....</b>	<b>\$ 140,080,497</b>	<b>\$ 817,612</b>	<b>\$ 2,597,168</b>

See notes to basic financial statements.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements of the Town of Plymouth, Massachusetts (Town) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant Town accounting policies are described herein.

**A. Reporting Entity**

The Town of Plymouth, Massachusetts is a municipal corporation that is governed by an elected Board of Selectmen.

For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (the primary government) and its component units. Two entities have been included as component units in the reporting entity, because of the significance of their operational and/or financial relationship.

*Component Unit Presented as a Fiduciary Fund* – The following component unit is presented as a Fiduciary Fund of the primary government due to the nature and significance of relationship between the Town and the component unit.

The Plymouth Contributory Retirement System (System) was established to provide retirement benefits to Town employees, the Plymouth Housing Authority employees, and their beneficiaries. The System is governed by a five-member board comprised of the Town Finance Director (ex-officio), two members elected by the System's participants and two members appointed by the Board members. The System is presented using the accrual basis of accounting and is reported as a pension trust fund in the fiduciary fund financial statements.

*Discretely Presented Component Units* – Discretely presented component units are entities that are legally separate from the Town, but are financially accountable to the Town, or whose relationships with the Town are such that exclusion would cause the Town's financial statements to be misleading or incomplete. The Town has presented the following discretely presented component unit.

The Plymouth Growth & Development Corporation was established under Chapter 182 of the Acts of 2002 for the purpose of aiding the Town of Plymouth in developing unused or underused areas and supporting the economic viability of Plymouth. In addition, the Corporation can carry out any other public purpose designated by the Board of Selectmen. The seven member Board of Directors is appointed by the Board of Selectmen.

**Availability of Financial Information for Component Units**

The System issues a publicly available audited financial report in accordance with guidelines established by the Commonwealth of Massachusetts' (Commonwealth) Public Employee Retirement Administration Commission (PERAC). That report may be obtained by contacting the System located at 10 Cordage Park Circle, Suite 240, Plymouth, Massachusetts, 02360.

Complete financial statements of the Plymouth Growth & Development Corporation may be obtained by contacting the Corporation at P.O. Box 3544, Plymouth, Massachusetts, 02360.

## B. Government-Wide and Fund Financial Statements

### *Government-Wide Financial Statements*

The government-wide financial statements (i.e., statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

### *Fund Financial Statements*

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds 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. Non-major funds are aggregated and displayed in a single column.

### *Major Fund Criteria*

Major funds must be reported if the following criteria are met:

- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental or total enterprise funds), *and*
- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

Additionally, any other governmental or enterprise fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

Internal service funds and fiduciary funds are reported by fund type.

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

### *Government-Wide Financial Statements*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal 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.

The statement of activities demonstrates the degree to which the direct expenses of a particular 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 the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

Taxes and other items not identifiable as program revenues are reported as general revenues.

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions are charges between the general fund and the water, sewer, airport, and solid waste enterprise funds and the internal service fund. Elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

#### *Fund Financial Statements*

**Governmental** fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

Real estate and personal property tax revenues are considered available if they are collected within 60 days after year-end. Investment income is susceptible to accrual. Other receipts and tax revenues become measurable and available when the cash is received and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met.

The following major governmental funds are reported:

The *general fund* is the primary operating fund. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

The *community preservation fund* is used to account for funds received in accordance with the Massachusetts Community Preservation Act (the "CPA"). Funds are received under the CPA through a surcharge of up to 3% of the real property tax levy and matching state grants. These funds are spent for the acquisition, creation and preservation of open space, historic resources and affordable housing.

The *school capital articles fund* is used to account for all financial resources appropriated to fund school related capital projects.

The *excluded debt projects fund* is used to account for all financial resources appropriated to fund projects that are funded using debt exclusions. A community can assess taxes in excess of its levy limit or levy ceiling for the payment of certain capital projects and for the payment of specified debt service costs with voter approval.

The nonmajor governmental funds consist of other special revenue, capital projects and permanent funds that are aggregated and presented in the *nonmajor governmental funds* column on the governmental funds financial statements. The following describes the general use of these fund types:

The *special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than permanent funds or capital projects.

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets of the governmental funds.

The *permanent fund* is used to account for and report financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

**Proprietary** fund financial statements are reported using 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 when the liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The following major proprietary funds are reported:

The *water enterprise fund* is used to account for the Town's water activities.

The *sewer enterprise fund* is used to account for the Town's sewer activities.

The *airport enterprise fund* is used to account for the Town's airport activities.

The *solid waste enterprise fund* is used to account for the Town's disposal activities.

Additionally, the following proprietary fund type is reported:

The *internal service fund* is used to account for the financing of services provided by one department to other departments or governmental units. This fund is used to account for risk financing activities related to health insurance and employee benefit programs.

**Fiduciary** fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity by the Town for others that cannot be used to support the governmental programs.

The following fiduciary fund types are reported:

The *pension trust fund* is used to account for the activities of the Plymouth Contributory Retirement System, which accumulates resources to provide pension benefits to eligible retirees and their beneficiaries.

The *other postemployment benefits trust fund* is used to accumulate resources to provide funding for future OPEB (other postemployment benefits) liabilities.

The *private-purpose trust fund* is used to account for trust arrangements that exclusively benefit individuals, private organizations, or other governments. Some of these trusts have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. The donor restrictions and trustee policies only allows the trustees to authorize spending of the realized investment earnings. The Town's educational scholarship trusts are accounted for in this fund.

The *agency fund* is used to account for assets held in a purely custodial capacity by the Town.

#### D. Cash and Investments

##### *Government-Wide and Fund Financial Statements*

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. Investments are carried at fair value.

#### E. Accounts Receivable

##### *Government-Wide and Fund Financial Statements*

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and the proprietary funds and fiduciary funds financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements are reported under the modified accrual basis of accounting.

#### ***Real Estate, Personal Property Taxes and Tax Liens***

Real estate and personal property taxes are levied and based on values assessed on January 1<sup>st</sup> of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on August 1<sup>st</sup>, November 1<sup>st</sup>, February 1<sup>st</sup> and May 1<sup>st</sup> and are subject to penalties and interest if they are not paid by the respective due date. Real estate and personal property taxes levied are recorded as receivables in the year of the levy.

Real estate tax liens are processed during the year on delinquent properties and are recorded as receivables in the year they are processed.

Real estate receivables are secured via the tax lien process and are considered 100% collectible. Accordingly, an allowance for uncollectibles is not reported.

Personal property taxes cannot be secured through the lien process. The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

#### ***Motor Vehicle Excise***

Motor vehicle excise taxes are assessed annually for each vehicle registered in the Town and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value.

The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

***Water and Sewer***

User fees are levied monthly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Water and Sewer liens are processed every year and included as a lien on the property owner's tax bill. Water and Sewer charges and liens are recorded as receivables in the year of the levy.

Since the receivables are secured via the lien process, these accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles.

***Departmental and Other***

Departmental and other receivables are recorded as receivables in the year accrued. The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

***Intergovernmental***

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recorded as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recorded when the qualifying expenditures are incurred and all other grant requirements are met.

These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

**F. Inventories*****Government-Wide and Fund Financial Statements***

Inventories are recorded as expenditures at the time of purchase. Such inventories are not material in total to the government-wide and fund financial statements, and therefore are not reported.

**G. Capital Assets*****Government-Wide and Proprietary Fund Financial Statements***

Capital assets, which include land, construction in progress, land improvements, buildings, machinery and equipment, vehicles, and infrastructure (e.g., roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government-wide financial statements, and the proprietary fund financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation. Except for the capital assets of the governmental activities column in the government-wide financial statements, construction period interest is capitalized on constructed capital assets.

All purchases and construction costs in excess of \$15,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Capital assets (excluding land and construction in progress) are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Land improvements.....	20-50
Buildings.....	30-50
Machinery and equipment.....	5-20
Vehicles.....	5-8
Infrastructure.....	20-50

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

*Governmental Fund Financial Statements*

Capital asset costs are recorded as expenditures in the acquiring fund in the year of the purchase.

H. Deferred Outflows/Inflows of Resources

*Government-Wide Financial Statements (Net Position)*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The Town reported deferred charges on refunding in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town did not have any items that qualify for reporting in this category.

*Governmental Fund Financial Statements*

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents assets that have been recorded in the governmental fund financial statements but the revenue is not available and so will *not* be recognized as an inflow of resources (revenue) until it becomes available. The Town has recorded unavailable revenue as deferred inflows of resources in the governmental funds balance sheet.

I. Unavailable Revenue

*Fund Financial Statements*

Unavailable revenue at the governmental fund financial statement level represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting, i.e. receivables that are not considered to be available to liquidate liabilities of the current period. Unavailable revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

### J. Interfund Receivables and Payables

During the course of its operations, transactions occur between and within individual funds that may result in amounts owed between funds.

#### *Government-Wide Financial Statements*

Transactions of a buyer/seller nature between and within governmental funds and internal service funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of net position as "internal balances".

#### *Fund Financial Statements*

Transactions of a buyer/seller nature between and within funds are *not* eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as "Due from other funds" or "Due to other funds" on the balance sheet.

### K. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out.

#### *Government-Wide Financial Statements*

Transfers between and within governmental funds and internal service funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as "Transfers, net".

#### *Fund Financial Statements*

Transfers between and within funds are *not* eliminated from the individual fund statements and are reported as transfers in and transfers out.

### L. Net Position and Fund Equity

#### *Government-Wide Financial Statements (Net position)*

Net position is reported as restricted when amounts that are not available for appropriation or are legally restricted by outside parties for a specific future use.

Net position has been "restricted for" the following:

"Permanent funds - expendable" represents the amount of realized and unrealized investment earnings of donor restricted trusts. The donor restrictions and trustee policies only allows the trustees to approve spending of the realized investment earnings that support governmental programs.

"Permanent funds - nonexpendable" represents the endowment portion of donor restricted trusts that support governmental programs.

“Grants and gifts” represents restrictions placed on assets from outside parties.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

#### *Fund Financial Statements (Fund Balances)*

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The governmental fund balance classifications are as follows:

“Nonspendable” fund balance includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

“Restricted” fund balance includes amounts subject to constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or that are imposed by law through constitutional provisions or enabling legislation.

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Town meeting is the highest level of decision making authority for the government that can, by adoption of an ordinance prior to the end of the year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

“Assigned” fund balance includes amounts that are constrained by the Town’s intent to be used for specific purposes, but are neither restricted nor committed. The Board of Selectmen has, by resolution, authorized the Finance Director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The Town’s spending policy is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance. Most governmental funds are designated for one purpose at the time of their creation. Therefore, any expenditure from the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. The general fund and certain other funds may have more than one purpose.

### M. Long-term debt

#### *Government-Wide and Proprietary Fund Financial Statements*

Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position. Material bond premiums and discounts 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.

#### *Governmental Fund Financial Statements*

The face amount of governmental funds long-term debt is reported as other financing sources in the period issued. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

### N. Investment Income

Excluding the permanent funds, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Law (MGL).

Investment income from proprietary funds and the internal service fund is retained within the respective fund.

### O. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and executive policies.

#### *Government-Wide and Proprietary Fund Financial Statements*

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

#### *Governmental Fund Financial Statements*

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon maturity of the liability.

### P. Use of Estimates

#### *Government-Wide and Fund Financial Statements*

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the year. Actual results could vary from estimates that were used.

### Q. Individual Fund Deficits

Individual fund deficits exist within the Capital Project and Special Revenue Funds. These deficits will be funded through bond proceeds, grant funds, and available fund balance in future years.

R. Total Column*Government-Wide Financial Statements*

The total column presented on the government-wide financial statements represents consolidated financial information.

*Fund Financial Statements*

The total column on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

**NOTE 2 – PROPERTY TAX LIMITATION**

The amount that can be raised by the Town tax levy is governed by Proposition 2 ½. The gross tax levy for 2014 was \$130,159,929, which was \$8,880,795 less than the levy limit allowable for the year as computed under Proposition 2 ½.

**NOTE 3 - CASH AND INVESTMENTS**

A cash and investment pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Short-term Investments." The deposits and investments of the trust funds are held separately from those of other funds.

Statutes authorize the investment in obligations of the U.S. Treasury, agencies, and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (the Pool). In addition, there are various restrictions limiting the amount and length of deposits and investments.

The Pool meets the criteria of an external investment pool. The Pool is administered by the Massachusetts Municipal Depository Trust (MMDT), which was established by the Treasurer of the Commonwealth who serves as Trustee. The fair value of the position in the Pool is the same as the value of the Pool shares.

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. At year-end, the carrying amount of deposits totaled \$53,998,964 and the bank balance totaled \$56,326,382. Of the bank balance, \$2,866,530 was covered by Federal Depository Insurance, \$17,316,920 was covered by Share Insurance Fund, \$3,342 was covered by Securities Investor Protection Corporation Insurance, \$9,994,801 was collateralized, and \$26,144,789 was uninsured and uncollateralized.

At June 30, 2014, the carrying amount of deposits for the other postemployment benefit trust fund totaled \$8,563.

At December 31, 2013, the carrying amount of deposits for the System totaled \$322,893 and the bank balance totaled \$448,134 all of which was covered by Federal Depository Insurance.

At December 31, 2013, the carrying amount of deposits for the Component Unit totaled \$1,121,471 and the bank balance totaled \$1,125,833. Of the bank balance, \$681,743 was covered by Federal Depository Insurance or collateralization, and \$444,090 was uninsured and uncollateralized.

Investments

As of June 30, 2014, the Town of Plymouth had the following investments:

Investment Type	Maturity			
	<u>Fair Value</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>Over 10 Years</u>
<u>Debt Securities</u>				
U.S. Government Agencies.....	\$ 1,621,168	\$ 895,214	\$ 725,954	\$ -
Corporate Bonds.....	404,499	-	-	404,499
Bond Mutual Funds.....	<u>62,579</u>	<u>62,579</u>	<u>-</u>	<u>-</u>
Total Debt Securities.....	2,088,246	<u>\$ 957,793</u>	<u>\$ 725,954</u>	<u>\$ 404,499</u>
<u>Other Investments</u>				
Equity Securities.....	3,028,858			
Negotiable Certificates of Deposit.....	18,269,277			
MMDT.....	<u>59,174</u>			
Total Investments.....	<u>\$ 23,445,555</u>			

As of December 31, 2013, the Retirement System had the following investments:

Investment Type	Maturity	
	<u>Fair Value</u>	<u>6-10 Years</u>
<u>Debt Securities</u>		
Bond Mutual Funds.....	\$ 14,971,666	<u>\$ 14,971,666</u>
<u>Other Investments</u>		
Equity Securities.....	29,396,183	
Equity Mutual Funds.....	44,705,524	
Pooled Real Estate Funds.....	9,619,758	
Money Market Mutual Funds.....	1,055,973	
Alternative Investment Mutual Funds.....	14,386,027	
International Equity Mutual Funds.....	25,047,239	
PRIT General Allocation Fund.....	<u>710,717</u>	
Total Investments.....	<u>\$ 139,893,087</u>	

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in possession of an outside party. Of the Town's investments of \$1,621,168 in U.S. Government Agencies, \$3,028,858 in Equity Securities, and \$404,499 in Corporate Bonds, the Town has a custodial credit risk exposure of \$5,054,525 because the related securities are uninsured, unregistered and held by the counterparty. The Town will minimize custodial credit risk with the use of reporting services such as Veribanc, Moody's Investors Services, Fitch Rating, and Standard and Poor's.

The Retirement System's investments are not subject to custodial credit risk as all of the securities are insured or registered, and held by its agents in the name of the Plymouth Contributory Retirement System.

Interest Rate Risk

The Town will minimize interest rate risk by diversifying in a "laddered" type of investment to spread out maturities of certificates of deposit, treasuries and government agency bonds.

The Town participates in MMDT, which maintains a cash portfolio and a short-term bond fund with combined average maturities of approximately three months.

The System investment policy states that the duration of all fixed income securities shall be maintained within a range of +/- fifteen percent of the duration of the fixed income benchmark designated within the "Manager Specific Guidelines". Also, when managing assets the System at all times must be in accordance with the provisions of the Public Employee Retirement Administration Commission (PERAC), the Employee Retirement Income Security Act (ERISA), and Department of Labor regulations.

Credit Risk

At June 30, 2014, the Town's investments in U.S. Government Agencies are rated AAA and Corporate Bonds are rated A1, BAA2, BAA3, and BA2. The bond mutual funds, equity securities, negotiable certificates of deposit, and MMDT are unrated.

The System's policy states that all fixed income investments shall be maintained at a quality rating of A or better, unless "Manager Specific Guidelines" allow further diversification. At June 30, 2014, the System does not have any rated investments.

Concentration of Credit Risk

The Town will minimize concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of institution will be minimized. The target upper level range of funds concentrated in any institution is 10%. There were no individual investments that exceeded 10% of the total investments at June 30, 2014.

The System places a 5% maximum investment in any one issuer. There were no individual investments that exceeded 5% of the total investments at June 30, 2014.

**NOTE 4 – RECEIVABLES**

At June 30, 2014, receivables for the individual major governmental funds and non-major, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes...	\$ 2,607,883	\$ (142,000)	\$ 2,465,883
Tax liens.....	960,537	-	960,537
Motor vehicle and other excise taxes.....	1,997,639	(1,139,000)	858,639
Departmental and other.....	26,526	-	26,526
Special assessments.....	779,394	-	779,394
Intergovernmental.....	14,427,773	-	14,427,773
 Total.....	 <u>\$ 20,799,752</u>	 <u>\$ (1,281,000)</u>	 <u>\$ 19,518,752</u>

At June 30, 2014, receivables for the enterprise funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Water user fees.....	\$ 1,842,983	\$ -	\$ 1,842,983
Sewer user fees.....	2,036,551	-	2,036,551
Water intergovernmental.....	90,616	-	90,616
Sewer intergovernmental.....	4,812,117	-	4,812,117
Solid Waste departmental and other.....	85,400	-	85,400
 Total.....	 <u>\$ 8,867,667</u>	 <u>\$ -</u>	 <u>\$ 8,867,667</u>

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current year, the various components of *unavailable revenue* reported in the governmental funds were as follows:

	General Fund	Community Preservation Funds	Nonmajor Governmental Funds	Total
<u>Receivable and other asset type:</u>				
Real estate and personal property taxes...	\$ 1,359,576	\$ -	\$ -	\$ 1,359,576
Tax liens.....	948,817	9,736	1,984	960,537
Motor vehicle and other excise taxes.....	858,639	-	-	858,639
Departmental and other.....	-	26,526	-	26,526
Special assessments.....	-	-	779,394	779,394
Intergovernmental.....	9,646,438	594,787	2,511,611	12,752,836
Tax foreclosures.....	1,512,973	-	-	1,512,973
 Total.....	 <u>\$ 14,326,443</u>	 <u>\$ 631,049</u>	 <u>\$ 3,292,989</u>	 <u>\$ 18,250,481</u>

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2014, was as follows:

**Governmental Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 99,511,216	\$ 457,678	\$ -	\$ 99,968,894
Construction in progress.....	104,303,426	9,197,853	(110,090,000)	3,411,279
Total capital assets not being depreciated.....	203,814,642	9,655,531	(110,090,000)	103,380,173
<u>Capital assets being depreciated:</u>				
Land improvements.....	8,458,020	1,165,217	-	9,623,237
Buildings.....	112,186,147	106,952,655	(3,291,399)	215,847,403
Machinery and equipment.....	39,883,735	3,244,045	(751,084)	42,376,696
Infrastructure.....	74,862,326	3,532,123	-	78,394,449
Vehicles.....	6,424,681	326,233	-	6,750,914
Total capital assets being depreciated.....	241,814,909	115,220,273	(4,042,483)	352,992,699
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(4,169,711)	(425,378)	-	(4,595,089)
Buildings.....	(53,124,471)	(4,810,107)	3,291,399	(54,643,179)
Machinery and equipment.....	(33,137,424)	(1,666,505)	751,084	(34,052,845)
Infrastructure.....	(42,950,491)	(2,311,702)	-	(45,262,193)
Vehicles.....	(4,090,591)	(545,899)	-	(4,636,490)
Total accumulated depreciation.....	(137,472,688)	(9,759,591)	4,042,483	(143,189,796)
Total capital assets being depreciated, net.....	104,342,221	105,460,682	-	209,802,903
Total governmental activities capital assets, net.....	\$ 308,156,863	\$ 115,116,213	\$ (110,090,000)	\$ 313,183,076

**Business-Type Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 19,653,192	\$ -	\$ -	\$ 19,653,192
Construction in progress.....	6,729,259	496,798	(6,538,729)	687,328
 Total capital assets not being depreciated.....	 26,382,451	 496,798	 (6,538,729)	 20,340,520
<u>Capital assets being depreciated:</u>				
Land improvements.....	8,427,217	2,130,890	-	10,558,107
Buildings.....	32,377,102	-	-	32,377,102
Machinery and equipment.....	2,735,812	642,473	(19,200)	3,359,085
Vehicles.....	843,490	123,970	-	967,460
Infrastructure.....	75,452,133	6,551,574	-	82,003,707
 Total capital assets being depreciated.....	 119,835,754	 9,448,907	 (19,200)	 129,265,461
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(3,931,571)	(428,223)	-	(4,359,794)
Buildings.....	(7,890,544)	(718,849)	-	(8,609,393)
Machinery and equipment.....	(1,487,078)	(226,759)	19,200	(1,694,637)
Vehicles.....	(555,286)	(84,245)	-	(639,531)
Infrastructure.....	(47,384,483)	(1,474,650)	-	(48,859,133)
 Total accumulated depreciation.....	 (61,248,962)	 (2,932,726)	 19,200	 (64,162,488)
 Total capital assets being depreciated, net.....	 58,586,792	 6,516,181	 -	 65,102,973
 Total business-type activities capital assets, net.....	 \$ 84,969,243	 \$ 7,012,979	 \$ (6,538,729)	 \$ 85,443,493

**Component Unit**

<u>Capital assets being depreciated:</u>				
Leasehold improvements.....	\$ 36,890	\$ 10,000	\$ -	\$ 46,890
Machinery and equipment.....	534,068	60,833	-	594,901
Vehicles.....	32,682	-	-	32,682
 Total capital assets being depreciated.....	 603,640	 70,833	 -	 674,473
<u>Less accumulated depreciation for:</u>				
Leasehold improvements.....	(11,067)	(8,378)	-	(19,445)
Machinery and equipment.....	(276,473)	(74,228)	-	(350,701)
Vehicles.....	(11,324)	(6,536)	-	(17,860)
 Total accumulated depreciation.....	 (298,864)	 (89,142)	 -	 (388,006)
 Total capital assets being depreciated, net.....	 \$ 304,776	 \$ (18,309)	 \$ -	 \$ 286,467

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

**Governmental Activities:**

General government.....	\$ 587,651
Public safety.....	1,385,439
Education.....	4,288,162
Public works.....	3,100,998
Community preservation.....	27,002
Human services.....	159,135
Culture and recreation.....	<u>211,204</u>

Total depreciation expense - governmental activities..... \$ 9,759,591

**Business-Type Activities:**

Water.....	\$ 1,323,813
Sewer.....	935,093
Airport.....	590,354
Solid Waste.....	<u>83,466</u>

Total depreciation expense - business-type activities..... \$ 2,932,726

**Component Unit Activities:**

Plymouth Growth and Development Corporation.....	<u>\$ 89,142</u>
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**NOTE 6 – INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2014, are summarized as follows:

Operating Transfers Out:	Operating Transfers In:			
	General Fund	School Capital Articles	Nonmajor Governmental Funds	Total
General Fund.....	\$ -	\$ 9,309	\$ 12,832	\$ 22,141 (1)
Nonmajor Governmental Funds....	1,286,553	-	-	1,286,553 (2)
Water Enterprise Fund.....	1,152,634	-	-	1,152,634 (3)
Sewer Enterprise Fund.....	306,467	-	-	306,467 (3)
Airport Enterprise Fund.....	179,979	-	-	179,979 (3)
Solid Waste Enterprise Fund.....	<u>306,503</u>	<u>-</u>	<u>-</u>	<u>306,503 (3)</u>
	<u>\$ 3,232,136</u>	<u>\$ 9,309</u>	<u>\$ 12,832</u>	<u>\$ 3,254,277</u>

- (1) Budgeted transfers from the General Fund to the school capital articles fund and nonmajor funds.
- (2) Transfers from the nonmajor funds to fund the 2014 General Fund operating budget.
- (3) Transfers from the Enterprise Funds to the General Fund for the reimbursement of indirect costs.

An entity-wide transfer was made between the governmental activities and the solid waste business-type activities and is not included in the schedule above. The Town transferred the landfill long-term debt obligations, the corresponding Massachusetts Clean Water Trust (MCWT) receivable, and the liability for post-closure costs to governmental activities during the fiscal year. The net amount is reported as a \$1,503,694 capital contribution on the solid waste fund based financial statements and as a net transfer in the entity-wide financial statements.

**NOTE 7 – SHORT-TERM FINANCING**

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANS or TANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund and enterprise funds.

Details related to the short-term debt activity for the year ended June 30, 2014, are as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2013	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2014
<b>Governmental Funds</b>							
BAN	MCWT Interim Note.....	0.00	03/01/15	\$ 120,000	\$ 80,000	\$ -	\$ 200,000
BAN	General Obligation.....	0.40	05/07/14	400,000	-	(400,000)	-
BAN	General Obligation.....	0.45	05/07/14	305,000	-	(305,000)	-
BAN	General Obligation.....	1.00	05/07/15	-	13,613,000	-	13,613,000
Total Governmental.....				\$ 825,000	\$ 13,693,000	\$ (705,000)	\$ 13,813,000
<b>Enterprise Funds</b>							
BAN	Water - General Obligation.....	1.00	05/07/15	\$ -	\$ 2,435,000	\$ -	\$ 2,435,000
BAN	Sewer - General Obligation.....	1.00	05/07/15	-	2,079,800	-	2,079,800
Total Enterprise.....				\$ -	\$ 4,514,800	\$ -	\$ 4,514,800

**NOTE 8 - LONG-TERM DEBT**

Under the provisions of Chapter 44, Section 10, Municipal Law authorizes indebtedness up to a limit of 5% of the equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit". In addition, however, debt may be authorized in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit".

Details related to the outstanding indebtedness at June 30, 2014, and the debt service requirements are as follows:

**Bonds Payable Schedule – Governmental Funds**

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2013	Issued	Redeemed	Outstanding at June 30, 2014
Title V - MCWT (T5-97-1029)	2017	\$ 199,807	4.00	\$ 44,402	\$ -	\$ 11,100	\$ 33,302
Title V - MCWT (T5-97-1029-1)	2021	164,236	0.00	73,579	-	8,974	64,605
Title V - MCWT (T5-97-1029-2)	2025	185,254	4.94	109,050	-	9,525	99,525
FY2005 Landfill Bonds	2021	1,629,142	5.31 - 5.32	910,000	-	105,000	805,000
FY2008 Title V - MCWT	2028	600,000	0.00	490,000	-	39,865	450,135
FY2009 Landfill Bonds	2024	75,000	2.00 - 5.00	55,000	-	5,000	50,000
FY2009 Municipal Purpose Bonds	2029	28,486,501	2.00 - 5.00	17,390,417	-	1,745,417	15,645,000
FY2009 Municipal Purpose Bonds (Refunding)	2021	17,712,075	3.00 - 5.00	12,840,350	-	2,105,350	10,735,000
FY2010 Title V - MCWT	2028	400,000	0.00	400,000	-	26,668	373,332
FY2011 Municipal Purpose Bonds	2036	39,450,000	2.00 - 5.00	36,170,000	-	1,640,000	34,530,000
FY2012 Title V - MCWT	2028	400,000	0.00	400,000	-	26,667	373,333
FY2013 Municipal Purpose Bonds	2038	23,674,000	3.00 - 5.00	23,674,000	-	1,464,000	22,210,000
Total Governmental Bonds Payable				92,556,798	-	7,187,566	85,369,232
Unamortized Premium on Bonds				6,931,598	-	791,634	6,139,964
Total Long-Term Debt				\$ 99,488,396	\$ -	\$ 7,979,200	\$ 91,509,196

Debt service requirements for principal and interest for Governmental bonds payable in future years are as follows:

**GOVERNMENTAL FUNDS, DEBT SERVICE PAYMENTS**

Year	Principal	Interest	Total
2015	\$ 6,646,830	\$ 3,761,729	\$ 10,408,559
2016	6,584,334	3,474,806	10,059,140
2017	6,338,364	3,177,413	9,515,777
2018	6,197,294	2,898,915	9,096,209
2019	5,932,321	2,626,480	8,558,801
2020	5,913,248	2,364,884	8,278,132
2021	4,703,275	2,123,440	6,826,715
2022	3,993,438	1,928,018	5,921,456
2023	3,943,468	1,743,918	5,687,386
2024	3,723,332	1,551,793	5,275,125
2025	3,708,332	1,390,393	5,098,725
2026	3,703,332	1,220,368	4,923,700
2027	3,648,332	1,059,618	4,707,950
2028	3,498,332	901,068	4,399,400
2029	2,120,000	747,215	2,867,215
2030	2,000,000	651,018	2,651,018
2031	2,000,000	559,918	2,559,918
2032	1,965,000	468,262	2,433,262
2033	1,965,000	378,356	2,343,356
2034	1,965,000	293,594	2,258,594
2035	1,965,000	206,932	2,171,932
2036	1,965,000	120,268	2,085,268
2037	445,000	31,150	476,150
2038	445,000	15,587	460,587
Total	\$ 85,369,232	\$ 33,695,143	\$ 119,064,375

The Town is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for principal in the amount of \$231,039 and interest costs of \$156,833. Thus, net MCWT loan repayments, including interest, are scheduled to be \$655,285. The principal subsidies are guaranteed and therefore a \$231,039 intergovernmental receivable and corresponding unavailable revenue were reported in the general fund. Since the Town is legally obligated for the total amount of the debt, such amounts have been reported in the accompanying basic financial statements. The 2014 principal and interest subsidies totaled \$30,267 and \$41,996, respectively.

The Commonwealth has approved school construction assistance. The assistance program, which is administered by the Massachusetts School Building Authority (MSBA), provides resources for future debt service of general obligation school bonds outstanding. During 2014, approximately \$1,637,000 of such assistance was received. Approximately \$10,478,000 will be received in future fiscal years. Of this amount, approximately \$1,063,000 represents reimbursement of long-term interest costs, and approximately \$9,415,000 represents reimbursement of approved construction costs. Accordingly, a \$9,415,000 intergovernmental receivable and corresponding unavailable revenue have been reported in governmental fund financial statements. The unavailable revenue has been recognized as revenue in the conversion to the government-wide financial statements.

The MSBA offers a construction grant program which pays the Town the State's share of approved school construction costs and therefore eliminates the need for the Town to fund the State's share through long-term debt. The Plymouth North High School project is being funded by this grant program. The total grant received by the Town is expected to be \$37,774,000. As of June 30, 2014, the Town has recognized revenue of \$37,167,000 and expects to receive \$607,000 in future years.

**Bonds Payable Schedule – Enterprise Funds**

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2013	Issued	Redeemed	Outstanding at June 30, 2014
FY2004 MCWT.....	2024	\$ 480,794	0.00	\$ 215,327	\$ -	\$ 15,639	\$ 199,688
FY2005 MCWT (Refunding).....	2023	26,944,600	4.64 - 5.10	19,268,032	-	2,225,019	17,043,013
FY2009 Sewer Bonds (Refunding).....	2016	461,350	3.00 - 5.00	279,150	-	119,150	160,000
FY2009 Sewer Bonds.....	2023	946,000	2.00 - 5.00	659,286	-	68,929	590,357
FY2011 Sewer Bonds.....	2031	800,000	2.00 - 5.00	720,000	-	40,000	680,000
Sub-Total sewer bonds payable.....				21,141,795	-	2,468,737	18,673,058
FY2004 Water Bonds (Refunding).....	2021	617,142	5.09	335,000	-	35,000	300,000
FY2009 Water Bonds (Refunding).....	2016	102,500	3.00 - 5.00	60,500	-	20,500	40,000
FY2009 Water Bonds.....	2029	5,853,849	2.00 - 5.00	4,140,000	-	410,000	3,730,000
FY2011 Water Bonds.....	2031	1,345,000	2.00 - 5.00	1,205,000	-	70,000	1,135,000
FY2013 Water Bonds.....	2023	800,000	0.00	800,000	-	80,000	720,000
Sub-Total water bonds payable.....				6,540,500	-	615,500	5,925,000
Unamortized premium on bonds.....				289,548	-	43,368	246,180
Total water bonds payable.....				6,830,048	-	658,868	6,171,180
FY2009 Solid Waste Bonds.....	2014	677,650	2.00 - 5.00	49,584	-	49,584	-
Total Enterprise Bonds Payable.....				\$ 28,021,427	\$ -	\$ 3,177,189	\$ 24,844,238

Debt service requirements for principal and interest for enterprise fund bonds payable in future years are as follows:

**SEWER ENTERPRISE FUND, DEBT SERVICE PAYMENTS**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015.....	\$ 2,262,643	\$ 881,695	\$ 3,144,338
2016.....	2,329,014	758,541	3,087,555
2017.....	2,283,792	633,095	2,916,887
2018.....	2,352,163	506,285	2,858,448
2019.....	2,429,037	372,372	2,801,409
2020.....	2,492,814	215,794	2,708,608
2021.....	2,536,185	147,066	2,683,251
2022.....	724,556	80,651	805,207
2023.....	738,334	44,825	783,159
2024.....	94,520	24,226	118,746
2025.....	70,000	20,413	90,413
2026.....	70,000	16,913	86,913
2027.....	70,000	13,713	83,713
2028.....	70,000	10,513	80,513
2029.....	70,000	7,275	77,275
2030.....	40,000	4,000	44,000
2031.....	40,000	2,000	42,000
Total.....	<u>\$ 18,673,058</u>	<u>\$ 3,739,377</u>	<u>\$ 22,412,435</u>

**WATER ENTERPRISE FUND, DEBT SERVICE PAYMENTS**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015.....	\$ 620,000	\$ 229,221	\$ 849,221
2016.....	615,000	204,178	819,178
2017.....	585,000	181,810	766,810
2018.....	440,000	159,880	599,880
2019.....	410,000	143,500	553,500
2020.....	410,000	128,769	538,769
2021.....	395,000	115,544	510,544
2022.....	350,000	102,969	452,969
2023.....	350,000	91,519	441,519
2024.....	270,000	78,018	348,018
2025.....	270,000	66,572	336,572
2026.....	270,000	53,068	323,068
2027.....	270,000	41,618	311,618
2028.....	270,000	30,168	300,168
2029.....	270,000	18,462	288,462
2030.....	65,000	6,500	71,500
2031.....	65,000	3,250	68,250
Total.....	<u>\$ 5,925,000</u>	<u>\$ 1,655,046</u>	<u>\$ 7,580,046</u>

The Town is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for principal in the amount of \$4,902,732 and interest costs for \$2,482,302. Thus, net MCWT loan repayments, including interest, are scheduled to be \$11,353,701. The principal subsidies are guaranteed and therefore intergovernmental receivables and corresponding revenues were reported in the year the debt was issued. The remaining principal subsidies to be recognized at year end were \$4,812,117 and \$90,616 which are reported in the Sewer Enterprise and Water Enterprise Funds, respectively.

Since the Town is legally obligated for the total amount of the debt, such amounts have been reported in the accompanying basic financial statements. The 2014 principal subsidies recognized in the Sewer Enterprise and Water Enterprise Funds are \$571,119 and \$9,987, respectively. The 2014 interest subsidies are \$660,871 and \$11,459, respectively.

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit.

At June 30, 2014, the Town had the following authorized and unissued debt:

Purpose	Amount
Beach Improvements.....	\$ 2,727,000
Title V.....	600,000
Schools and Senior Center.....	111,832,591
Wannos Pond Well & Pump.....	100,000
PSMS Repair Brick Veneer.....	361,878
Culvert and Bridge Construction.....	2,400,000
T-Wharf Construction.....	1,250,000
Engine 7.....	560,000
Brush Breaker.....	405,000
314 Ryder Way.....	305,000
Federal Furnace HVAC.....	7,150,000
Samoset Street Sewer.....	700,000
Sewer Interceptor.....	1,549,800
Water Main Jacket.....	2,750,000
1820 Courthouse Reconstruction.....	5,000,000
Police Station Methane Mitigation.....	1,635,000
Waterfront Promenade Design.....	1,200,000
Plymco Dam Removal.....	730,743
Traffic Signal Installation.....	350,000
Municipal Center Design/Construction.....	30,000,000
Warren Avenue Sewer Extension.....	190,000
Samoset Water Tank Restoration.....	700,000
<b>Total.....</b>	<b>\$ 172,497,012</b>

Changes in Long-Term Liabilities

During the year ended June 30, 2014, the following changes occurred in long-term liabilities:

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Current Portion
<b>Governmental Activities:</b>					
Long-Term Bonds.....	\$ 92,556,798	\$ -	\$ (7,187,566)	\$ 85,369,232	\$ 6,646,834
Add: unamortized premium.....	6,931,598	-	(791,634)	6,139,964	744,608
Total Long-Term Debt.....	99,488,396	-	(7,979,200)	91,509,196	7,391,442
Compensated Absences.....	1,639,000	128,900	(163,900)	1,604,000	160,400
Landfill Closure.....	800,000	-	(50,000)	750,000	50,000
Other postemployment Benefits.....	88,389,934	35,442,433	(14,368,283)	109,464,084	-
Total governmental activity long-term liabilities.....	\$ 190,317,330	\$ 35,571,333	\$ (22,561,383)	\$ 203,327,280	\$ 7,601,842
<b>Business-Type Activities:</b>					
Long-Term Bonds.....	\$ 27,731,879	\$ -	\$ (3,133,821)	\$ 24,598,058	\$ 2,882,643
Add: unamortized premium.....	289,548	-	(43,368)	246,180	40,664
Total Long-Term Debt.....	28,021,427	-	(3,177,189)	24,844,238	2,923,307
Compensated Absences.....	112,000	5,200	(11,200)	106,000	10,600
Other postemployment Benefits.....	2,141,942	900,873	(423,646)	2,619,169	-
Total business-type activity long-term liabilities.....	\$ 30,275,369	\$ 906,073	\$ (3,612,035)	\$ 27,569,407	\$ 2,933,907

The long-term liabilities will be liquidated in the future by the general fund and enterprise funds.

**NOTE 9 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS**

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Town has reported principal portions of endowment funds as nonspendable.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision making authority.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose

As of June 30, 2014, the governmental fund balances consisted of the following:

	GOVERNMENTAL FUNDS					
	General	Community Preservation	School Capital Articles	Excluded Debt Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>FUND BALANCES</b>						
Nonspendable:						
Permanent Fund Principal.....	\$ -	\$ -	\$ -	\$ -	\$ 1,359,193	\$ 1,359,193
Restricted for:						
Community preservation.....	-	4,010,148	-	-	-	4,010,148
Unamortized premiums on long-term debt.....	2,497,896	-	-	-	-	2,497,896
Town Federal Grants.....	-	-	-	-	631,399	631,399
Town State Grants.....	-	-	-	-	878,228	878,228
Town Revolving.....	-	-	-	-	2,638,618	2,638,618
Town Gifts.....	-	-	-	-	903,854	903,854
Town Title V.....	-	-	-	-	570,855	570,855
Town Other.....	-	-	-	-	1,190,930	1,190,930
School Lunch.....	-	-	-	-	290,407	290,407
School State Grants.....	-	-	-	-	1,708,109	1,708,109
School Revolving.....	-	-	-	-	2,213,456	2,213,456
Permanent Funds.....	-	-	-	-	348,612	348,612
Committed to:						
General government.....	446,077	-	-	-	-	446,077
Public safety.....	271,282	-	-	-	-	271,282
Education.....	389,670	-	-	-	-	389,670
Public works.....	2,043,247	-	-	-	-	2,043,247
Culture and recreation.....	74,397	-	-	-	-	74,397
Assigned to:						
General government.....	199,384	-	-	-	-	199,384
Public safety.....	12,343	-	-	-	-	12,343
Education.....	34,673	-	-	-	-	34,673
Public works.....	20,056	-	-	-	-	20,056
Human services.....	10,190	-	-	-	-	10,190
Free cash used for subsequent year budget.....	3,671,070	-	-	-	-	3,671,070
Release of overlay for 2015 budget.....	1,320,000	-	-	-	-	1,320,000
Unassigned.....	21,672,351	-	(3,802,880)	(5,604,232)	(669,420)	11,595,819
<b>TOTAL FUND BALANCES.....</b>	<b>\$ 32,662,636</b>	<b>\$ 4,010,148</b>	<b>\$ (3,802,880)</b>	<b>\$ (5,604,232)</b>	<b>\$ 12,064,241</b>	<b>\$ 39,329,913</b>

**NOTE 10 - STABILIZATION FUND**

Massachusetts General Law Ch.40 §5B allows for the establishment of Stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of Town Meeting and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of Town Meeting.

At year end, the balance of the General Stabilization Fund is \$8,830,522 and is reported as unassigned fund balance within the General Fund. During 2014, the fund earned \$97,049 of investment income. The general stabilization fund balance can be used for general and/or capital purposes upon Town Meeting approval.

During 2014, the Town created the Nuclear Plant Mitigation Stabilization Fund. The nuclear plant mitigation stabilization fund balance can be used for general and/or capital purposes upon Town Meeting approval. The Town raised \$1,000,000 to establish the fund and earned investment income of \$18,457 which resulted in a year-end balance of \$1,018,457.

**NOTE 11 – RISK FINANCING**

The Town is self-insured for its health and dental insurance activities. These activities are accounted for in the internal service fund where revenues are recorded when earned and expenses are recorded when the liability is incurred.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many factors. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claims settlement trends, and other economic and social factors.

*(a) Health and Dental Insurance*

The estimate of Incurred But Not Reported (IBNR) claims is based on 7% of claims paid average. The Town purchases individual stop loss insurance for claims in excess of the coverage provided by the Town in the amount of \$175,000. At June 30, 2014, the amount of the liability for health and dental insurance claims totaled \$2,200,000. This liability is the best estimate based on available information. Changes in the reported liability since July 1, 2012, are as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End
Year 2013.....	\$ 2,406,000	\$ 31,450,872	\$ (31,760,872)	\$ 2,096,000
Year 2014.....	2,096,000	34,780,308	(34,676,308)	2,200,000

**NOTE 12 - PENSION PLAN**

*Plan Description* - The Town contributes to the System, a cost-sharing multiple-employer defined benefit pension plan administered by the Plymouth Contributory Retirement Board. Substantially all employees are members of the System, except for public school teachers and certain administrators who are members of the Massachusetts Teachers Retirement System, to which the Town does not contribute. Pension benefits and administrative expenses paid by the Teachers Retirement Board are the legal responsibility of the Commonwealth. The amount of these on-behalf payments totaled approximately \$16,556,000 for the year ended June 30, 2014, and, accordingly, are reported in the general fund as intergovernmental revenues and pension expenditures.

The System provides retirement, disability and death benefits to plan members and beneficiaries. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth’s state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Plymouth Contributory Retirement Board and are borne by the System. The System issues a publicly available audited financial report in accordance with guidelines established by the Commonwealth’s PERAC. That report may be obtained by contacting the System located at 10 Cordage Park Circle, Suite 240, Plymouth, Massachusetts, 02360.

At December 31, 2013, the System's membership consists of the following:

Active members.....	867
Inactive members.....	171
Disabled members.....	77
Retirees and beneficiaries currently receiving benefits.....	<u>554</u>
Total.....	<u><u>1,669</u></u>

*Funding Policy* - Plan members are required to contribute to the System at rates ranging from 5% to 11% of annual covered compensation. The Town is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll. Administrative expenses are funded through investment earnings. The current and two preceding years apportionment of the annual pension cost between the two employers required the Town to contribute 98%, respectively, of the total. Chapter 32 of the MGL governs the contributions of plan members and the Town.

*Annual Pension Cost* - The Town's contributions to the System for the years ended June 30, 2014, 2013, and 2012 were \$9,080,198, \$8,549,198, and \$7,902,283, respectively, which equaled its required contribution for each year. At June 30, 2014, the Town did not have a net pension obligation. The required contribution was determined as part of the January 1, 2013, actuarial valuation using the entry age normal cost method. The actuarial assumptions included a 7.75% investment rate of return and projected salary increases of 4.25%, 4.50%, and 4.75% for groups 1, 2, and 4 respectively, per year. The value of the System's assets was determined using the actuarial value of the assets with a 4 year smoothing. The System's unfunded actuarial accrued liability is being amortized at 8%, increasing total cost per year. The remaining amortization period at January 1, 2013, was 19 years.

**Schedule of Funding Progress  
(Dollar amounts in thousands)**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
01/01/13	\$ 119,488	\$ 247,186	\$ 127,698	48.3%	\$ 35,741	357.3%
01/01/10	111,589	205,870	94,281	54.2%	35,665	264.4%
01/01/08	120,332	175,119	54,787	68.7%	34,232	160.0%
01/01/07	112,790	165,044	52,254	68.3%	32,532	160.6%
01/01/05	94,010	154,190	60,180	61.0%	30,061	200.2%

Funding progress is reported based on the biennial actuarial valuation performed by the System, and is being accumulated on a biennial basis. The Town is responsible for approximately 98% of the unfunded liability.

**NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

*Plan Description* - The Town of Plymouth administers a single-employer defined benefit healthcare plan (Retiree Health Plan). The plan provides lifetime healthcare and life insurance for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members. Chapter 32b of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

As of the January 1, 2013 actuarial, the Plan's membership consisted of the following:

Current retirees, beneficiaries, and dependents.....	1,714
Current active members.....	<u>1,387</u>
Total.....	<u><u>3,101</u></u>

*Funding Policy*—Contribution requirements are also negotiated between the Town and union representatives. Retired plan members and beneficiaries currently receiving benefits are required to contribute 1%, 10%, or 20% of the cost of benefits provided and the Town contributes the remaining premium costs and may contribute additional amounts to pre-fund benefits. Administrative costs of the Plan are assumed to be included in the fully insured premium rates. For 2014, contributions to the plan totaled approximately \$14,792,000.

*Annual OPEB Costs and Net OPEB Obligation*—The Town's annual other postemployment benefit (OPEB) cost (expenses) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The components of the Town's annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligations are summarized in the following table:

Annual Required Contribution.....	\$ 35,863,702
Interest on existing net OPEB obligation.....	3,847,605
Adjustments to annual required contribution.....	<u>(3,368,001)</u>
Annual OPEB cost (expense).....	36,343,306
Contributions made.....	<u>(14,791,929)</u>
Increase in net OPEB obligation.....	21,551,377
Net OPEB obligation - beginning of year.....	<u>90,531,876</u>
Net OPEB obligation - end of year.....	<u><u>\$ 112,083,253</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current and two preceding years is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	\$ 36,343,306	43.9%	\$ 112,083,253
6/30/2013	32,353,677	44.8%	90,531,876
6/30/2012	30,532,941	43.9%	72,742,681

*Funded Status and Funding Progress* - The funded status of the Plan as of the most recent actuarial valuation date, January 1, 2013, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
1/1/2013	\$ 612,214	\$ 492,791,598	\$ 492,179,384	0.12%	\$ 79,752,376	617.13%
1/1/2011	-	390,817,000	390,817,000	0.00%	79,643,000	490.71%
1/1/2009	-	379,285,000	379,285,000	0.00%	90,445,000	419.35%

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

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

In the January 1, 2013, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return, which is based on the expected yield on the assets of the Town, calculated based on the funded level of the plan at the valuation date, and an annual medical/drug cost trend rate of 9 percent initially, reduced by 1 percent increments to an ultimate rate of 5 percent after 4 years. The UAAL is being amortized over a 30-year period, using the level percentage of projected payroll method, on an open basis, with amortization payments increasing at 3.5 percent per year. The remaining amortization period at January 1, 2013 is 30 years.

**NOTE 14 - LANDFILL CLOSURE COSTS**

State and federal laws and regulations require that the Town must construct a final capping system on all of its landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites after closure.

The Manomet and Cedarville landfill sites have been closed and capped since 1998 and 1995, respectively. Annual monitoring is performed at these sites and the estimated future liability for post-closure care is \$750,000.

The South Street landfill site was closed and capped in 1973. As a result of landfill gas migration, it has been determined that the Town will need to perform additional capping and ventilation projects. This is currently in the planning stage and therefore no liability has been recorded in the current year.

**NOTE 15 - COMMITMENTS**

The Town has entered into a long-term contract with South Eastern Massachusetts Partnership (SEMASS) to provide solid waste disposal services. Total charges are based on a formula of tipping and transport fees with costs rising gradually through 2014 when the contract expires. Actual expenditures under this contract for 2014 were approximately \$162,000.

The Town has entered into, or is planning to enter into, contracts totaling approximately \$172,000,000 for the construction of Plymouth South High School, for various beach improvements, for school HVAC repairs, for 1820 courthouse reconstruction, and for the municipal center design/construction.

**NOTE 16 - CONTINGENCIES**

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2014, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2014, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2014.

**NOTE 17 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

During 2014, the following GASB pronouncements were implemented:

- The GASB issued Statement #65, Items Previously Reported as Assets and Liabilities. Financial statement changes include the presentation of deferred outflows and inflows in the Statement of Net Position and Balance Sheet. Notes to the basic financial statements were changed to provide additional disclosure on deferred outflows of resources and deferred inflows of resources.
- The GASB issued Statement #70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. The implementation of this pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in future years:

- The GASB issued Statement #67, *Financial Reporting for Pension Plans*, which is required to be implemented in 2015.
- The GASB issued Statement #68, *Accounting and Financial Reporting for Pensions*, which is required to be implemented in 2015.
- The GASB issued Statement #69, *Government Combinations and Disposals of Government Operations*, which is required to be implemented in 2015.
- The GASB issued Statement #71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which is required to be implemented simultaneously with Statement #68 in 2015.

Management is currently assessing the impact that the implementation of these pronouncements will have on the basic financial statements.

# ***Required Supplementary Information***

# ***General Fund Budgetary Comparison Schedule***

The General Fund is the general operating fund of the Town. It is used to account for all the financial resources, except those required to be accounted for in another fund.

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**

YEAR ENDED JUNE 30, 2014

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Amounts Carried forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
<b>REVENUES:</b>							
Real estate and personal property taxes, net of tax refunds.....	\$ -	\$ 128,947,544	\$ 128,947,544	\$ 129,096,954	\$ 128,558,481	\$ -	\$ (538,473)
Tax liens.....	-	-	-	-	1,517,490	-	1,517,490
Motor vehicle and other excise taxes.....	-	6,635,000	6,635,000	6,635,000	7,855,342	-	1,220,342
Penalties and interest on taxes.....	-	675,000	675,000	675,000	708,936	-	33,936
Payments in lieu of taxes.....	-	55,000	55,000	55,000	60,193	-	5,193
Intergovernmental - federal.....	-	488,100	488,100	488,100	470,640	-	(17,460)
Intergovernmental - state.....	-	31,764,280	31,764,280	31,772,072	32,009,563	-	237,491
Departmental and other.....	-	4,856,900	4,856,900	4,856,900	7,995,278	-	3,138,378
Investment income.....	-	245,000	245,000	245,000	183,948	-	(61,052)
<b>TOTAL REVENUES.....</b>	<b>-</b>	<b>173,666,824</b>	<b>173,666,824</b>	<b>173,824,026</b>	<b>179,359,871</b>	<b>-</b>	<b>5,535,845</b>
<b>EXPENDITURES:</b>							
Current:							
General government.....	926,438	9,270,510	10,196,948	10,449,471	8,975,745	610,184	863,542
Public safety.....	222,592	19,271,489	19,494,081	20,497,791	19,499,570	283,625	714,596
Education.....	815,074	86,466,966	87,282,040	87,319,211	85,652,340	424,343	1,242,528
Public works.....	830,265	8,369,062	9,199,327	9,719,489	7,915,924	2,063,302	(259,737)
Human services.....	10,545	1,507,954	1,518,499	1,528,319	1,481,237	10,190	36,892
Culture and recreation.....	68,740	2,390,153	2,458,893	2,490,137	2,395,382	74,397	20,358
Pension benefits.....	-	9,086,570	9,086,570	9,086,569	9,086,569	-	-
Employee benefits.....	40,810	30,793,689	30,834,499	31,397,500	31,347,072	35,278	15,150
State and county charges.....	-	982,001	982,001	982,001	991,611	-	(9,610)
Debt service:							
Principal.....	-	7,272,967	7,272,967	7,157,299	7,157,299	-	-
Interest.....	-	4,098,969	4,098,969	3,995,987	3,987,570	-	8,417
<b>TOTAL EXPENDITURES.....</b>	<b>2,914,464</b>	<b>179,510,330</b>	<b>182,424,794</b>	<b>184,623,774</b>	<b>178,490,319</b>	<b>3,501,319</b>	<b>2,632,136</b>
<b>EXCESS (DEFICIENCY) OF</b>							
<b>REVENUES OVER EXPENDITURES.....</b>	<b>(2,914,464)</b>	<b>(5,843,506)</b>	<b>(8,757,970)</b>	<b>(10,799,748)</b>	<b>869,552</b>	<b>(3,501,319)</b>	<b>8,167,981</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in.....	-	3,084,065	3,084,065	3,232,136	3,232,136	-	-
Transfers out.....	-	(1,012,232)	(1,012,232)	(1,022,141)	(1,022,141)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>2,071,833</b>	<b>2,071,833</b>	<b>2,209,995</b>	<b>2,209,995</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>(2,914,464)</b>	<b>(3,771,673)</b>	<b>(6,686,137)</b>	<b>(8,589,753)</b>	<b>3,079,547</b>	<b>(3,501,319)</b>	<b>8,167,981</b>
<b>BUDGETARY FUND BALANCE, Beginning of year.....</b>	<b>-</b>	<b>20,005,110</b>	<b>20,005,110</b>	<b>20,005,110</b>	<b>20,005,110</b>	<b>-</b>	<b>-</b>
<b>BUDGETARY FUND BALANCE, End of year.....</b>	<b>\$ (2,914,464)</b>	<b>\$ 16,233,437</b>	<b>\$ 13,318,973</b>	<b>\$ 11,415,357</b>	<b>\$ 23,084,657</b>	<b>\$ (3,501,319)</b>	<b>\$ 8,167,981</b>

See notes to required supplementary information.

# ***Other Postemployment Benefits Plan Schedules***

The Schedule of Funding progress compares, over time, the actuarial accrued liability for benefits with the actuarial value of accumulated plan assets.

The Schedule of Employer Contributions presents multi-year trend information for required and actual contributions relating to the plan.

The Schedule of Actuarial Methods and Assumptions presents factors that significantly affect the identification of trends in the amounts reported.

OTHER POSTEMPLOYMENT BENEFIT PLAN  
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
1/1/2013	\$ 612,214	\$ 492,791,598	\$ 492,179,384	0.12%	\$ 79,752,376	617.13%
1/1/2011	-	390,817,000	390,817,000	0.00%	79,643,000	490.71%
1/1/2009	-	379,285,000	379,285,000	0.00%	90,445,000	419.35%
7/1/2006	-	264,991,414	264,991,414	0.00%	82,014,000	323.11%

**Schedule of Employer Contributions**

Year	Annual Required Contribution	Actual Contributions Made	Total Percentage Contributed
2014	\$ 35,863,702	\$ 14,791,929	41.2%
2013	32,520,726	14,564,482	44.8%
2012	30,575,940	13,412,727	43.9%
2011	33,097,546	15,475,318	46.8%
2010	31,157,981	14,146,885	45.4%
2009	21,182,308	11,974,550	56.5%
2008	20,340,389	8,697,045	42.8%

See notes to required supplementary information.

OTHER POSTEMPLOYMENT BENEFIT PLAN  
ACTUARIAL METHODS AND ASSUMPTIONS

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Actuarial Methods:

Valuation date.....	January 1, 2013
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Amortization payments increasing at 3.50%
Remaining amortization period.....	30 years as of January 1, 2013, open
Actuarial Assumptions:	
Investment rate of return.....	4.00%, partial pre-funding scenario
Projected salary increases.....	3.0%
Medical/drug cost trend rate.....	9.0% decreasing by 1.0% for 4 years to an ultimate level of 5.0% per year

Plan Membership:

Current retirees, beneficiaries, and dependents.....	1,714
Current active members.....	<u>1,387</u>
Total.....	<u><u>3,101</u></u>

See notes to required supplementary information.

**NOTE A - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY****A. Budgetary Information**

Municipal Law requires the adoption of a balanced budget that is approved by the Finance Committee (the "Committee") and the Board of Selectmen (the "Board"). The Committee and the Board present an annual budget to the representative Town meeting, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. The representative town meeting, which has full authority to amend and/or reject the budget or any line item, adopts the expenditure budget by majority vote.

Increases or transfers between and within departments subsequent to the approval of the annual budget, requires a vote at a special Town meeting.

The majority of appropriations are non-continuing which lapse at the end of each year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year's original budget.

Generally, expenditures may not exceed the legal level of spending (salaries, expenses and capital) authorized for an appropriation account. However, the payment of debt service is statutorily required, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final claims and judgments may exceed the level of spending authorized by two-thirds majority vote of the Town meeting.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original 2014 approved budget authorized approximately \$183.4 million of appropriations and other amounts to be raised. During 2014, the Town meeting also approved appropriation increases totaling approximately \$2.2 million.

The Town Accountant's office has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

**B. Budgetary - GAAP Reconciliation**

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2014, is presented below:

Excess (deficiency) of revenues and other financing sources (uses) over expenditures - budgetary basis.....	\$ 3,079,547
<u>Perspective difference:</u>	
Stabilization Fund recorded in the General Fund for GAAP.....	1,115,506
<u>Basis of accounting differences:</u>	
Net change in recording tax refunds payable.....	28,000
Recognition of revenue for on-behalf payments.....	16,556,472
Recognition of expenditures for on-behalf payments.....	<u>(16,556,472)</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - GAAP basis.....	<u>\$ 4,223,053</u>

C. Appropriation Deficits

Expenditures exceeded budgeted appropriations for public works expenditures and state and county charges for 2014. The appropriation deficits are based on snow and ice expenditures, which will be raised in 2015, and state assessments which are not required to be raised.

**NOTE B - OTHER POSTEMPLOYMENT BENEFITS**

The Town of Plymouth administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare and life insurance for eligible retirees and their spouses through the Town’s health insurance plan, which covers both active and retired members, including teachers.

The Town currently finances its other postemployment benefits (OPEB) on a pay-as-you-go basis. However, in 2012 and 2014 the Town made pre-funding contributions to the OPEB trust fund. As a result, the funded ratio (actuarial value of assets expressed as a percentage of the actuarial accrued liability) is 0.12%. In accordance with Governmental Accounting Standards, the Town has recorded its OPEB cost equal to the actuarial determined annual required contribution (ARC) which includes the normal cost of providing benefits for the year and a component for the amortization of the total unfunded actuarial accrued liability of the plan.

The Schedule of Funding Progress presents multi-year trend information which compares, over time, the actuarial accrued liability for benefits with the actuarial value of accumulated plan assets.

The Schedule of Employer Contributions presents, over time, the ratio of the actual annual employer contributions to the annual required contribution.

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

The Schedule of Actuarial Methods and Assumptions presents factors that significantly affect the identification of trends in the amounts reported.

# ***Supplementary Information - Unaudited***

# ***Enterprise Funds Budgetary Comparison Schedules***

The following budget and actual schedules of the water, sewer, airport, and solid waste enterprise activities are only presented for purposes of additional analysis. The schedules only include the activity budgeted and do not include any activity of non-budgeted enterprise funds.

For budgetary financial reporting purposes, the Massachusetts Uniform Municipal Accounting System (UMAS) basis of accounting is followed.

**WATER ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION -**  
**BUDGET AND ACTUAL - UNAUDITED**

YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Amounts Carried forward From Prior Year	Original Budget	Final Budget			
<b>REVENUES:</b>						
Utility user charges.....	\$ -	\$ 3,934,204	\$ 3,934,204	\$ 3,920,232	\$ -	\$ (13,972)
Other departmental revenue.....	-	239,000	239,000	191,869	-	(47,131)
Investment income.....	-	45,000	45,000	7,913	-	(37,087)
<b>TOTAL REVENUES.....</b>	<b>-</b>	<b>4,218,204</b>	<b>4,218,204</b>	<b>4,120,014</b>	<b>-</b>	<b>(98,190)</b>
<b>EXPENDITURES:</b>						
Salary and wages.....	-	963,866	963,866	921,371	-	42,495
Other expenses.....	117,678	1,221,381	1,338,200	886,241	40,518	411,441
Debt service.....	-	867,127	880,323	875,320	-	5,003
Capital non-borrowing.....	702,962	909,339	1,613,161	674,206	925,875	13,080
<b>TOTAL EXPENDITURES.....</b>	<b>820,640</b>	<b>3,961,713</b>	<b>4,795,550</b>	<b>3,357,138</b>	<b>966,393</b>	<b>472,019</b>
<b>EXCESS (DEFICIENCY) OF</b>						
<b>REVENUES OVER EXPENDITURES.....</b>	<b>(820,640)</b>	<b>256,491</b>	<b>(577,346)</b>	<b>762,876</b>	<b>(966,393)</b>	<b>373,829</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers out - general fund for indirect costs.....	-	(1,152,634)	(1,152,634)	(1,152,634)	-	-
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>(820,640)</b>	<b>(896,143)</b>	<b>(1,729,980)</b>	<b>(389,758)</b>	<b>(966,393)</b>	<b>373,829</b>
<b>BUDGETARY FUND BALANCE, Beginning of year.....</b>	<b>-</b>	<b>3,218,145</b>	<b>3,218,145</b>	<b>3,218,145</b>	<b>-</b>	<b>-</b>
<b>BUDGETARY FUND BALANCE, End of year.....</b>	<b>\$ (820,640)</b>	<b>\$ 2,322,002</b>	<b>\$ 1,488,165</b>	<b>\$ 2,828,387</b>	<b>\$ (966,393)</b>	<b>\$ 373,829</b>

**SEWER ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION -**  
**BUDGET AND ACTUAL - UNAUDITED**

YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Amounts Carried forward From Prior Year	Original Budget	Final Budget			
<b>REVENUES:</b>						
Utility user charges.....	\$ -	\$ 4,050,379	\$ 4,050,379	\$ 3,932,754	\$ -	\$ (117,625)
Other departmental revenue.....	-	736,600	736,600	869,040	-	132,440
Investment income.....	-	15,000	15,000	6,843	-	(8,157)
<b>TOTAL REVENUES.....</b>	<b>-</b>	<b>4,801,979</b>	<b>4,801,979</b>	<b>4,808,637</b>	<b>-</b>	<b>6,658</b>
<b>EXPENDITURES:</b>						
Salary and wages.....	-	324,083	324,083	264,272	-	59,811
Other expenses.....	160,783	1,934,881	2,095,664	2,037,852	-	57,812
Debt service.....	-	2,236,548	2,236,548	2,236,541	-	7
Capital non-borrowing.....	459,758	129,500	589,258	376,797	211,297	1,164
<b>TOTAL EXPENDITURES.....</b>	<b>620,541</b>	<b>4,625,012</b>	<b>5,245,553</b>	<b>4,915,462</b>	<b>211,297</b>	<b>118,794</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(620,541)</b>	<b>176,967</b>	<b>(443,574)</b>	<b>(106,825)</b>	<b>(211,297)</b>	<b>125,452</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers out - general fund for indirect costs.....	-	(306,467)	(306,467)	(318,110)	-	(11,643)
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>(620,541)</b>	<b>(129,500)</b>	<b>(750,041)</b>	<b>(424,935)</b>	<b>(211,297)</b>	<b>113,809</b>
<b>BUDGETARY FUND BALANCE, Beginning of year.....</b>	<b>-</b>	<b>2,299,955</b>	<b>2,299,955</b>	<b>2,299,955</b>	<b>-</b>	<b>-</b>
<b>BUDGETARY FUND BALANCE, End of year.....</b>	<b>\$ (620,541)</b>	<b>\$ 2,170,455</b>	<b>\$ 1,549,914</b>	<b>\$ 1,875,020</b>	<b>\$ (211,297)</b>	<b>\$ 113,809</b>

**AIRPORT ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION -**  
**BUDGET AND ACTUAL - UNAUDITED**

YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Amounts Carried forward From Prior Year	Original Budget	Final Budget			
<b>REVENUES:</b>						
Utility user charges.....	\$ -	\$ 2,397,794	\$ 2,397,794	\$ 1,981,949	\$ -	\$ (415,845)
Other departmental revenue.....	-	303,200	303,200	293,279	-	(9,921)
Investment income.....	-	800	800	1,490	-	690
<b>TOTAL REVENUES.....</b>	<b>-</b>	<b>2,701,794</b>	<b>2,701,794</b>	<b>2,276,718</b>	<b>-</b>	<b>(425,076)</b>
<b>EXPENDITURES:</b>						
Salary and wages.....	-	448,695	448,695	403,083	-	45,612
Other expenses.....	-	2,249,620	2,073,120	1,681,760	-	391,360
Capital non-borrowing.....	328,065	-	328,065	44,500	-	283,565
<b>TOTAL EXPENDITURES.....</b>	<b>328,065</b>	<b>2,698,315</b>	<b>2,849,880</b>	<b>2,129,343</b>	<b>-</b>	<b>720,537</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(328,065)</b>	<b>3,479</b>	<b>(148,086)</b>	<b>147,375</b>	<b>-</b>	<b>295,461</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in - enterprise grant fund/environmental assessment fund.....	-	-	-	27,044	-	27,044
Transfers out - general fund for indirect costs.....	-	(179,979)	(179,979)	(179,979)	-	-
Transfers out - enterprise grant fund.....	(32,525)	-	(32,525)	(65,597)	-	(33,072)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>(32,525)</b>	<b>(179,979)</b>	<b>(212,504)</b>	<b>(218,532)</b>	<b>-</b>	<b>(6,028)</b>
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>(360,590)</b>	<b>(176,500)</b>	<b>(360,590)</b>	<b>(71,157)</b>	<b>-</b>	<b>289,433</b>
<b>BUDGETARY FUND BALANCE, Beginning of year.....</b>	<b>-</b>	<b>676,405</b>	<b>676,405</b>	<b>676,405</b>	<b>-</b>	<b>-</b>
<b>BUDGETARY FUND BALANCE, End of year.....</b>	<b>\$ (360,590)</b>	<b>\$ 499,905</b>	<b>\$ 315,815</b>	<b>\$ 605,248</b>	<b>\$ -</b>	<b>\$ 289,433</b>

**SOLID WASTE ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION -**  
**BUDGET AND ACTUAL - UNAUDITED**

YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Amounts Carried forward From Prior Year	Original Budget	Final Budget			
<b>REVENUES:</b>						
Utility user charges.....	\$ -	\$ 739,810	\$ 739,810	\$ 796,573	\$ -	\$ 56,763
Other departmental revenue.....	-	1,351,259	1,351,259	1,049,366	-	(301,893)
Investment income.....	-	5,000	5,000	3,619	-	(1,381)
<b>TOTAL REVENUES.....</b>	<b>-</b>	<b>2,096,069</b>	<b>2,096,069</b>	<b>1,849,558</b>	<b>-</b>	<b>(246,511)</b>
<b>EXPENDITURES:</b>						
Salary and wages.....	-	357,343	357,343	296,241	-	61,102
Other expenses.....	155,673	1,938,107	1,536,823	1,146,451	34,869	355,503
Debt service.....	-	51,073	51,073	51,071	-	2
Capital non-borrowing.....	378,261	201,300	579,561	369,806	209,755	-
<b>TOTAL EXPENDITURES.....</b>	<b>533,934</b>	<b>2,547,823</b>	<b>2,524,800</b>	<b>1,863,569</b>	<b>244,624</b>	<b>416,607</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(533,934)</b>	<b>(451,754)</b>	<b>(428,731)</b>	<b>(14,011)</b>	<b>(244,624)</b>	<b>170,096</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers out - general fund for indirect costs.....	-	(306,503)	(306,503)	(306,503)	-	-
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>(533,934)</b>	<b>(758,257)</b>	<b>(735,234)</b>	<b>(320,514)</b>	<b>(244,624)</b>	<b>170,096</b>
<b>BUDGETARY FUND BALANCE, Beginning of year.....</b>	<b>-</b>	<b>1,197,171</b>	<b>1,197,171</b>	<b>1,197,171</b>	<b>-</b>	<b>-</b>
<b>BUDGETARY FUND BALANCE, End of year.....</b>	<b>\$ (533,934)</b>	<b>\$ 438,914</b>	<b>\$ 461,937</b>	<b>\$ 876,657</b>	<b>\$ (244,624)</b>	<b>\$ 170,096</b>