

***TOWN OF PLYMOUTH, MASSACHUSETTS***

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

***FISCAL YEAR ENDED JUNE 30, 2009***

TOWN OF PLYMOUTH, MASSACHUSETTS

REPORT ON EXAMINATION OF BASIC FINANCIAL STATEMENTS

JUNE 30, 2009

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## Independent Auditors' Report

To the Honorable Board of Selectmen  
Town of Plymouth, Massachusetts

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Plymouth, Massachusetts, as of and for the fiscal year ended June 30, 2009 (except for the Plymouth Contributory Retirement System and the Plymouth Growth & Development Corporation which are as of and for the year ended December 31, 2008), which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Plymouth, Massachusetts' management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Plymouth Growth & Development Corporation which represent 100% of the discretely presented component unit activities and net assets. Those financial statements were audited by other auditors whose reports thereon have 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 the 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Plymouth, Massachusetts, as of June 30, 2009 (except for the Plymouth Contributory Retirement System and the Plymouth Growth & Development Corporation which are as of and for the year ended December 31, 2008), and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2010, on our consideration of the Town of Plymouth, Massachusetts' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's discussion and analysis, located on the following pages, and the schedule of revenues, expenditures and changes in fund balance - general fund – budget and actual, the schedule of funding progress, and the actuarial methods and assumptions located after the notes to the basic financial statements, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in cursive script that reads "Bowers + Sullivan".

March 26, 2010

# ***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 fiscal year ended June 30, 2009.

### ***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 assets* presents information on all assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions 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, plant and facilities, human services, culture and recreation, interest and state and county charges. 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 fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The 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. 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.

**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 assets may serve over time as a useful indicator of a government's financial position. Governmental assets exceeded liabilities by \$192 million at the close of FY2009.

Governmental net assets of \$164 million (85%) 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 assets \$4.9 million (3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* \$23.2 million (12%) may be used to meet the government's ongoing obligations to citizens and creditors.

The governmental activities net assets decreased by \$9.9 million during the current fiscal year. The reduction in net assets 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. In fiscal 2009 the Town, based on its actuarial valuation, reported an accrual of \$20.4 million for its portion of the liability that was not paid. This represents an increase of \$9.0 million over the prior fiscal year.

At the end of the current fiscal year, the Town is able to report positive balances in all three categories of net assets, for its governmental activities.

Condensed financial data for fiscal years 2009 and 2008 is presented below.

	<b>FY2009</b>		<b>FY2008</b>
	<b>Governmental</b>		<b>Governmental</b>
	<b>Activities</b>		<b>Activities</b>
	<hr/>		<hr/>
<b>Assets:</b>			
Current assets.....	\$ 67,387,574	\$	77,282,405
Noncurrent assets (excluding capital).....	14,888,076		14,631,714
Capital assets.....	201,835,504		196,293,766
Total assets.....	<hr/> <b>284,111,154</b>		<hr/> <b>288,207,885</b>
<b>Liabilities:</b>			
Current liabilities (excluding debt).....	7,808,309		9,785,687
Noncurrent liabilities (excluding debt).....	24,242,833		12,711,468
Current debt.....	13,135,592		38,648,283
Noncurrent debt.....	47,215,083		25,460,048
Total liabilities.....	<hr/> <b>92,401,817</b>		<hr/> <b>86,605,486</b>
<b>Net Assets:</b>			
Capital assets net of related debt.....	163,589,482		157,195,613
Restricted.....	4,916,620		4,929,522
Unrestricted.....	23,203,235		39,477,264
Total net assets.....	<hr/> <b>191,709,337</b>		<hr/> <b>201,602,399</b>

	<b>FY2009</b>	<b>FY2008</b>
	<b>Governmental</b>	<b>Governmental</b>
	<b>Activities</b>	<b>Activities</b>
<b>Program revenues:</b>		
Charges for services.....	7,534,467	6,146,587
Operating grants and contributions.....	42,738,895	41,543,481
Capital grants and contributions.....	3,697,238	3,351,706
<b>General Revenues:</b>		
Real estate and personal property taxes.....	105,027,009	100,060,124
Tax liens.....	943,923	587,323
Motor vehicle and other excise taxes.....	5,938,365	7,083,486
Community preservation tax.....	1,544,506	1,457,813
Grants and contributions not restricted to specific programs.....	7,509,761	6,801,711
Unrestricted investment income.....	1,187,311	1,854,600
Other.....	1,119,579	365,176
Total revenues.....	<b>177,241,054</b>	<b>169,252,007</b>
<b>Expenses:</b>		
General government.....	(12,097,055)	(10,960,430)
Public safety.....	(31,482,098)	(30,870,063)
Education.....	(124,431,493)	(120,478,282)
Public works.....	(10,772,545)	(10,904,698)
Human services.....	(2,017,417)	(1,767,581)
Culture and recreation.....	(4,066,424)	(3,787,901)
Community preservation.....	(1,142,617)	(3,658,908)
Interest.....	(1,994,486)	(2,089,550)
Total expenses.....	<b>(188,004,135)</b>	<b>(184,517,413)</b>
<b>Transfers.....</b>	<b>870,019</b>	<b>(99,843)</b>
<b>Change in net assets.....</b>	<b>\$ (9,893,062)</b>	<b>\$ (15,365,249)</b>

## Business-type Activities

Business-type assets exceeded liabilities by \$62.4 million at June 30, 2009. Capital assets net of related debt of \$57.3 million (92%) reflect the enterprise funds investment in capital assets. The remaining balance of *unrestricted* net assets of \$5.1 million (8%) may be used to meet the enterprise funds' ongoing obligations.

There was an increase of \$1.5 million in net assets reported in connection with the water, sewer, airport, and solid waste business-type activities. Condensed financial data for the fiscal years 2009 and 2008 are presented below:

	<b>FY2009</b>		<b>FY2008</b>
	<b>Business-type</b>		<b>Business-type</b>
	<b>Activities</b>		<b>Activities</b>
<b>Assets:</b>			
Current assets.....	\$ 13,734,630	\$	9,646,503
Noncurrent assets (excluding capital).....	7,262,103		7,725,648
Capital assets.....	82,822,320		83,228,494
Total assets.....	<u>103,819,053</u>		<u>100,600,645</u>
<b>Liabilities:</b>			
Current liabilities (excluding debt).....	1,314,848		1,068,291
Noncurrent liabilities (excluding debt).....	1,722,023		934,376
Current debt.....	3,099,357		6,837,181
Noncurrent debt.....	35,294,336		30,825,319
Total liabilities.....	<u>41,430,564</u>		<u>39,665,167</u>
<b>Net Assets:</b>			
Capital assets net of related debt.....	57,099,179		55,121,789
Unrestricted.....	5,289,310		5,813,689
Total net assets.....	<u>62,388,489</u>		<u>60,935,478</u>
<b>Program revenues:</b>			
Charges for services.....	12,428,127		10,298,960
Operating grants and contributions.....	33,199		-
Capital grants and contributions.....	1,777,588		2,371,373
<b>General Revenues:</b>			
Unrestricted investment income.....	173,678		325,502
Total revenues.....	<u>14,412,592</u>		<u>12,995,835</u>
<b>Expenses:</b>			
Water.....	(3,458,423)		(4,013,069)
Sewer.....	(4,430,334)		(5,337,642)
Airport.....	(2,620,406)		(3,312,866)
Solid waste.....	(1,580,399)		(1,486,145)
Total expenses.....	<u>(12,089,562)</u>		<u>(14,149,722)</u>
Transfers.....	<u>(870,019)</u>		<u>99,843</u>
Change in net assets.....	<u>\$ 1,453,011</u>	\$	<u>(1,054,044)</u>

The water enterprise net assets increased by \$200,000 during the current fiscal year. The net change is attributable to a \$730,000 surplus of revenues compared to the budget, plus \$450,000 of capital assets funded by current revenues, less funding \$250,000 of current expenses with prior year net assets and less \$620,000 of depreciation expense net of debt principal payments.

The sewer enterprise net assets increased by \$1.5 million during the current fiscal year. The net change is attributable to a \$366,000 surplus of revenues compared to the budget, plus \$730,000 of revenues raised to support debt principal payments net of depreciation expense, less funding \$250,000 of current expenses with prior year net assets plus a capital grant of \$700,000 to fund debt service.

The airport enterprise net assets increased by \$453,000 during the current fiscal year. The net change is attributable to the net effect of the receipt of non-recurring capital grants of \$630,000 for taxiway construction, offset by a transfer out of \$201,000 to fund the operating budget and an increase of \$35,000 in the liability related to GASB Statement #45.

The solid waste enterprise net assets decreased by (\$685,000) during the current fiscal year. The net change is attributable to a \$440,000 shortfall of revenues compared to the budget, funding \$135,000 of current expenses with prior year net assets and an increase of \$40,000 in the liability related to GASB Statement #45.

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$39.1 million an increase of \$21.9 million in comparison with the prior year. This increase is primarily attributable to the issuance of \$28.5 million in bonds offset by costs associated with school construction and other capital projects.

The general fund is the chief operating fund. At the end of the current fiscal year, unreserved fund balance of the general fund was \$11.7 million, while total fund balance was \$23 million. The current year general fund net change in fund balance was \$90,000 which includes a budgeted transfer in of \$3.64 million in from the rate stabilization fund to balance the fiscal 2009 operating budget. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 7% of total general fund expenditures, while total fund balance represents 14% of that same amount.

The reserve for stabilization fund within the general fund has accumulated a fund balance \$8.6 million which represents 5% of general fund expenditures. These funds can be used for general or capital purposes upon Town Meeting approval. Please refer to the notes 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 current fiscal year, the fund had an accumulated fund balance of \$165,000.

The state fiscal stabilization grant fund is used to account for federal funds that were received through the American Recovery and Reinvestment Act. During the last two months of the fiscal year, the Town's state aid to education was reduced by \$2,200,000; however, the state aid payment was replaced with a like amount of federal funds. The Town's general fund budget was not adjusted for the late reduction in state funding; rather, eligible expenditures were transferred from the general fund to the state fiscal stabilization grant fund where an equal amount of federal revenues were also recorded.

The *school capital articles fund* is used to account for all financial resources appropriated to fund school construction and renovation projects. At the end of the current fiscal year, the fund had an accumulated fund balance of \$2.2 million.

The Internal Service Governmental Fund provides for health insurance coverage for the Towns employees. Results of operations show an increase in net assets of \$274,000 in FY2009 and the fund has accumulated net assets of \$5.0 million.

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

The \$1.1 million between the original budget and the final amended budget was mainly due to appropriation increases of \$96,000 for general government, \$548,000 for public works, \$103,000 for culture and recreation, and \$100,000 for employee benefits. The actual results of budgetary operations were a \$6.2 million deficiency of revenues under expenditures. This deficit was offset by \$1.3 million in a premium received from the issuance of bonds and net transfers in of \$6.9 million.

As previously mentioned, during the last two months of the fiscal year cuts in state aid were approved by the state, which reduced the June 30<sup>th</sup> state aid payment to the Town by \$2,200,000. The Town's general fund budget was not adjusted for the late adjustment in state funding; rather, eligible expenditures were transferred from the general fund to a state fiscal stabilization grant fund where the federal revenues were also recorded. This resulted in a revenue deficit and corresponding under-expenditure in the applicable line items.

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

In conjunction with the operating budget, the Town annually prepares a capital budget for the upcoming fiscal 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, 2009, totaled \$53.7 million, of which approximately \$32.5 million relates to various School construction projects, \$6.0 million relates to infrastructure, \$2.9 million relates to information technology, \$2.3 million relates to fire engines, and \$2.3 million relates to land acquisition, leaving a balance of approximately \$7.7million for CIP related projects.

The enterprise funds have \$29.4 million in sewer debt, \$6.9 million in water debt, and \$2.1 million in solid waste debt that are mostly supported by the rates, but require general fund subsidies.

The Town's major capital project relates to school renovation projects, Town technology upgrades, a sewer treatment plant, and infrastructure management. These projects will continue through fiscal year 2010.

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.

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# ***Basic Financial Statements***

**STATEMENT OF NET ASSETS**

JUNE 30, 2009

	<b>Primary Government</b>			<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Plymouth Growth &amp; Development</b>
<b>ASSETS</b>				
<b>CURRENT:</b>				
Cash and short-term investments.....	\$ 46,249,694	\$ 8,788,568	\$ 55,038,262	\$ 254,898
Investments.....	9,972,126	877,210	10,849,336	-
Receivables, net of allowance for uncollectibles:				
Real estate and personal property taxes.....	2,494,697	-	2,494,697	-
Tax liens.....	757,762	-	757,762	-
Motor vehicle excise taxes.....	784,175	-	784,175	-
User fees.....	-	3,393,377	3,393,377	-
Departmental and other.....	444,180	86,930	531,110	-
Special assessments.....	2,141	-	2,141	-
Intergovernmental.....	5,306,697	588,545	5,895,242	-
Parking tickets.....	-	-	-	245,640
Tax foreclosures.....	1,190,476	-	1,190,476	-
Prepaid expenses.....	-	-	-	9,966
Deferred loss on refunding.....	185,626	-	185,626	-
<b>NONCURRENT:</b>				
Receivables, net of allowance for uncollectibles:				
Intergovernmental.....	13,677,989	7,262,103	20,940,092	-
Deferred loss on refunding.....	1,210,087	-	1,210,087	-
Capital assets, net of accumulated depreciation:				
Nondepreciable.....	93,913,048	20,127,687	114,040,735	-
Depreciable.....	107,922,456	62,694,633	170,617,089	158,667
<b>TOTAL ASSETS.....</b>	<b>284,111,154</b>	<b>103,819,053</b>	<b>387,930,207</b>	<b>669,171</b>
<b>LIABILITIES</b>				
<b>CURRENT:</b>				
Warrants payable.....	3,991,903	482,512	4,474,415	21,141
Health claims payable.....	2,167,338	-	2,167,338	-
Tax refunds payable.....	494,000	-	494,000	-
Accrued interest.....	233,277	236,773	470,050	-
Abandoned property.....	406,599	-	406,599	-
Other liabilities.....	-	513,867	513,867	3,864
Capital lease obligations.....	-	-	-	95,795
Landfill closure.....	-	50,000	50,000	-
Compensated absences.....	147,100	4,900	152,000	-
Unamortized premium on bonds payable.....	368,092	26,796	394,888	-
Bonds and notes payable.....	13,135,592	3,099,357	16,234,949	-
<b>NONCURRENT:</b>				
Landfill closure.....	-	950,000	950,000	-
Compensated absences.....	1,323,900	44,100	1,368,000	-
Postemployment benefits.....	20,352,760	498,342	20,851,102	-
Unamortized premium on bonds payable.....	2,566,173	229,581	2,795,754	-
Bonds and notes payable.....	47,215,083	35,294,336	82,509,419	-
<b>TOTAL LIABILITIES.....</b>	<b>92,401,817</b>	<b>41,430,564</b>	<b>133,832,381</b>	<b>120,800</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt.....	163,589,482	57,099,179	220,688,661	62,872
Restricted for:				
Permanent funds:				
Expendable.....	465,955	-	465,955	-
Nonexpendable.....	1,195,958	-	1,195,958	-
Other purposes.....	3,254,707	-	3,254,707	-
Unrestricted.....	23,203,235	5,289,310	28,492,545	485,499
<b>TOTAL NET ASSETS.....</b>	<b>\$ 191,709,337</b>	<b>\$ 62,388,489</b>	<b>\$ 254,097,826</b>	<b>\$ 548,371</b>

See notes to basic financial statements.

**STATEMENT OF ACTIVITIES**

FISCAL YEAR ENDED JUNE 30, 2009

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.....	\$ 12,097,055	\$ 1,905,593	\$ 872,494	\$ -	\$ (9,318,968)
Public safety.....	31,482,098	672,626	1,196,115	500,000	(29,113,357)
Education.....	124,431,493	3,939,013	37,799,296	-	(82,693,184)
Public works.....	10,772,545	66,693	1,282,028	2,612,056	(6,811,768)
Human services.....	2,017,417	133,408	440,663	-	(1,443,346)
Culture and recreation.....	4,066,424	817,134	221,107	6,917	(3,021,266)
Community preservation.....	1,142,617	-	-	578,265	(564,352)
Interest.....	1,994,486	-	927,192	-	(1,067,294)
<b>Total Governmental Activities.....</b>	<b>188,004,135</b>	<b>7,534,467</b>	<b>42,738,895</b>	<b>3,697,238</b>	<b>(134,033,535)</b>
<i>Business-Type Activities:</i>					
Water.....	3,458,423	4,252,298	33,199	26,771	853,845
Sewer.....	4,430,334	4,512,488	-	1,068,793	1,150,947
Airport.....	2,620,406	2,628,623	-	629,570	637,787
Solid waste.....	1,580,399	1,034,718	-	52,454	(493,227)
<b>Total Business-Type Activities.....</b>	<b>12,089,562</b>	<b>12,428,127</b>	<b>33,199</b>	<b>1,777,588</b>	<b>2,149,352</b>
<b>Total Primary Government.....</b>	<b>\$ 200,093,697</b>	<b>\$ 19,962,594</b>	<b>\$ 42,772,094</b>	<b>\$ 5,474,826</b>	<b>\$ (131,884,183)</b>
<b>Component Unit:</b>					
Plymouth Growth & Development.....	\$ 488,650	\$ 609,197	\$ -	\$ -	\$ 120,547

See notes to basic financial statements.

(Continued)

**STATEMENT OF ACTIVITIES (Continued)**

FISCAL YEAR ENDED JUNE 30, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Plymouth Growth & Development
<b>Changes in net assets:</b>				
Net (expense) revenue from previous page.....	\$ (134,033,535)	\$ 2,149,352	\$ (131,884,183)	\$ 120,547
<i>General revenues:</i>				
Real estate and personal property taxes, net of tax refunds payable.....	105,027,009	-	105,027,009	-
Tax liens.....	943,923	-	943,923	-
Motor vehicle and other excise taxes.....	5,938,365	-	5,938,365	-
Community preservation tax.....	1,544,506	-	1,544,506	-
Grants and contributions not restricted to specific programs.....	7,509,761	-	7,509,761	-
Unrestricted investment income.....	1,187,311	173,678	1,360,989	927
Miscellaneous.....	1,119,579	-	1,119,579	-
<i>Transfers, net</i> .....	870,019	(870,019)	-	-
Total general revenues and transfers.....	124,140,473	(696,341)	123,444,132	927
Change in net assets.....	(9,893,062)	1,453,011	(8,440,051)	121,474
<i>Net Assets:</i>				
Beginning of year (as restated).....	201,602,399	60,935,478	262,537,877	426,897
End of year.....	\$ 191,709,337	\$ 62,388,489	\$ 254,097,826	\$ 548,371

(Concluded)

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

JUNE 30, 2009

<b>ASSETS</b>	General	Community Preservation	School Capital Articles	Nonmajor Governmental Funds	Total Governmental Funds
Cash and short-term investments.....	\$ 20,922,549	\$ 1,371,349	\$ 2,212,032	\$ 16,047,686	\$ 40,553,616
Investments.....	5,325,661	958,528	-	2,404,786	8,688,975
Receivables, net of uncollectibles:					
Real estate and personal property taxes.....	2,494,697	-	-	-	2,494,697
Tax liens.....	753,080	4,682	-	-	757,762
Motor vehicle excise taxes.....	784,175	-	-	-	784,175
Departmental and other.....	49,770	28,126	-	-	77,896
Special assessments.....	-	-	-	2,141	2,141
Intergovernmental.....	14,631,714	537,596	-	3,815,376	18,984,686
Tax foreclosures.....	1,190,476	-	-	-	1,190,476
<b>TOTAL ASSETS.....</b>	<b>\$ 46,152,122</b>	<b>\$ 2,900,281</b>	<b>\$ 2,212,032</b>	<b>\$ 22,269,989</b>	<b>\$ 73,534,424</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Warrants payable.....	\$ 3,301,609	\$ 14,449	\$ 3,055	\$ 530,740	\$ 3,849,853
Tax refunds payable.....	494,000	-	-	-	494,000
Abandoned property.....	406,599	-	-	-	406,599
Deferred revenues.....	19,018,501	570,421	-	3,409,075	22,997,997
Notes payable.....	-	2,150,000	-	4,500,000	6,650,000
<b>TOTAL LIABILITIES.....</b>	<b>23,220,709</b>	<b>2,734,870</b>	<b>3,055</b>	<b>8,439,815</b>	<b>34,398,449</b>
<b>FUND BALANCES:</b>					
Reserved for:					
Encumbrances and continuing appropriations.....	2,659,860	-	-	-	2,659,860
Stabilization.....	8,573,453	-	-	-	8,573,453
Rate stabilization.....	-	-	-	590,344	590,344
Perpetual permanent funds.....	-	-	-	1,195,958	1,195,958
Unreserved:					
Designated for subsequent year's expenditures.....	4,921,063	-	-	-	4,921,063
Undesignated, reported in:					
General fund.....	6,777,037	-	-	-	6,777,037
Special revenue funds.....	-	165,411	-	9,559,131	9,724,542
Capital projects funds.....	-	-	2,208,977	2,018,786	4,227,763
Permanent funds.....	-	-	-	465,955	465,955
<b>TOTAL FUND BALANCES.....</b>	<b>22,931,413</b>	<b>165,411</b>	<b>2,208,977</b>	<b>13,830,174</b>	<b>39,135,975</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 46,152,122</b>	<b>\$ 2,900,281</b>	<b>\$ 2,212,032</b>	<b>\$ 22,269,989</b>	<b>\$ 73,534,424</b>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2009

Total governmental fund balances.....		\$ 39,135,975
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		201,835,504
Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.....		22,997,997
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 assets.....		5,036,125
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(233,277)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Bonds and notes payable.....	(53,700,675)	
Unamortized premium on bonds payable.....	(2,934,265)	
Postemployment benefits.....	(20,352,760)	
Compensated absences.....	(1,471,000)	
Net effect of reporting long-term liabilities.....		(78,458,700)
In the statement of activities, deferred losses 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>1,395,713</u>
Net assets of governmental activities.....		<u>\$ 191,709,337</u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2009

	General	Community Preservation	State Fiscal Stabilization Fund	School Capital Articles	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>						
Real estate and personal property taxes, net of tax refunds.....	\$ 105,227,297	\$ -	\$ -	\$ -	\$ -	\$ 105,227,297
Tax liens.....	779,364	-	-	-	-	779,364
Motor vehicle and other excise taxes.....	6,476,695	-	-	-	26,612	6,503,307
Community preservation tax.....	-	1,544,506	-	-	-	1,544,506
Intergovernmental.....	38,931,852	991,055	2,247,998	-	9,838,595	52,009,500
Departmental and other.....	5,342,065	-	-	-	6,027,050	11,369,115
Contributions.....	-	-	-	-	1,017,432	1,017,432
Investment income.....	951,476	115,625	-	-	63,493	1,130,594
<b>TOTAL REVENUES.....</b>	<b>157,708,749</b>	<b>2,651,186</b>	<b>2,247,998</b>	<b>-</b>	<b>16,973,182</b>	<b>179,581,115</b>
<b>EXPENDITURES:</b>						
Current:						
General government.....	8,134,699	-	-	-	2,449,172	10,583,871
Public safety.....	18,645,120	-	-	-	1,864,769	20,509,889
Education.....	77,401,441	-	2,247,998	2,122,832	9,243,367	91,015,638
Public works.....	7,099,926	-	-	-	3,436,131	10,536,057
Human services.....	1,290,234	-	-	-	427,562	1,717,796
Culture and recreation.....	2,110,186	-	-	-	871,777	2,981,963
Community preservation.....	-	1,792,617	-	-	-	1,792,617
Pension benefits.....	16,214,019	-	-	-	-	16,214,019
Employee benefits.....	26,606,838	-	-	-	-	26,606,838
State and county charges.....	847,297	-	-	-	-	847,297
Debt service:						
Principal.....	3,489,815	-	-	-	-	3,489,815
Interest.....	2,035,364	-	-	-	-	2,035,364
<b>TOTAL EXPENDITURES.....</b>	<b>163,874,939</b>	<b>1,792,617</b>	<b>2,247,998</b>	<b>2,122,832</b>	<b>18,292,778</b>	<b>188,331,164</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(6,166,190)</b>	<b>858,569</b>	<b>-</b>	<b>(2,122,832)</b>	<b>(1,319,596)</b>	<b>(8,750,049)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from bonds and notes.....	-	-	-	12,866,085	15,620,416	28,486,501
Proceeds from refunding bonds.....	18,693,425	-	-	-	-	18,693,425
Premium from issuance of bonds and notes.....	1,252,355	3,784	-	-	35,840	1,291,979
Premium from issuance of refunding bonds.....	1,642,286	-	-	-	-	1,642,286
Payments to refunded bond escrow agent.....	(20,335,711)	-	-	-	-	(20,335,711)
Transfers in.....	6,571,928	-	-	130,966	692,026	7,394,920
Transfers out.....	(1,568,388)	-	-	-	(4,956,513)	(6,524,901)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>6,255,895</b>	<b>3,784</b>	<b>-</b>	<b>12,997,051</b>	<b>11,391,769</b>	<b>30,648,499</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>89,705</b>	<b>862,353</b>	<b>-</b>	<b>10,874,219</b>	<b>10,072,173</b>	<b>21,898,450</b>
<b>FUND BALANCES (DEFICITS) AT BEGINNING OF YEAR.....</b>	<b>22,841,708</b>	<b>(696,942)</b>	<b>-</b>	<b>(8,665,242)</b>	<b>3,758,001</b>	<b>17,237,525</b>
<b>FUND BALANCES (DEFICITS) AT END OF YEAR.....</b>	<b>\$ 22,931,413</b>	<b>\$ 165,411</b>	<b>\$ -</b>	<b>\$ 2,208,977</b>	<b>\$ 13,830,174</b>	<b>\$ 39,135,975</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**

FISCAL YEAR ENDED JUNE 30, 2009

Net change in fund balances - total governmental funds.....		\$ 21,898,450
<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.....	11,877,022	
Depreciation expense.....	<u>(6,335,284)</u>	
Net effect of reporting capital assets.....		5,541,738
<p>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred 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 deferred revenue.....</p>		
		(2,396,778)
<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 assets. 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>		
Proceeds from bonds and notes.....	(28,486,501)	
Proceeds from refunding bonds and notes.....	(18,693,425)	
Premium from issuance of bonds.....	(1,291,979)	
Premium from issuance of refunding bonds.....	(1,642,286)	
Debt service principal payments.....	3,489,815	
Payments to refunding escrow agent.....	<u>20,335,711</u>	
Net effect of reporting long-term debt.....		(26,288,665)
<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.....	25,000	
Net change in accrued interest on long-term debt.....	41,576	
Net change in postemployment benefit accrual.....	(8,987,692)	
Amortization of deferred charge on refunding.....	<u>(698)</u>	
Net effect of recording long-term liabilities and amortizing deferred losses.....		(8,921,814)
<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>274,007</u>
Change in net assets of governmental activities.....		<u>\$ (9,893,062)</u>

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
**STATEMENT OF NET ASSETS**

JUNE 30, 2009

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Airport	Solid Waste	Total	
<b>ASSETS</b>						
<b>CURRENT:</b>						
Cash and short-term investments..... \$	6,628,623	\$ 988,547	\$ 420,708	\$ 750,690	\$ 8,788,568	\$ 5,696,078
Investments.....	877,210	-	-	-	877,210	1,283,151
Receivables, net of allowance for uncollectibles:						
User fees.....	1,547,215	1,846,162	-	-	3,393,377	-
Departmental and other.....	-	86,930	-	-	86,930	366,284
Intergovernmental.....	7,242	554,920	-	26,383	588,545	-
Total current assets.....	<u>9,060,290</u>	<u>3,476,559</u>	<u>420,708</u>	<u>777,073</u>	<u>13,734,630</u>	<u>7,345,513</u>
<b>NONCURRENT:</b>						
Receivables, net of allowance for uncollectibles:						
Intergovernmental.....	126,023	6,786,437	-	349,643	7,262,103	-
Capital assets, net of accumulated depreciation..	<u>37,294,791</u>	<u>34,884,761</u>	<u>10,187,082</u>	<u>455,686</u>	<u>82,822,320</u>	<u>-</u>
Total noncurrent assets.....	<u>37,420,814</u>	<u>41,671,198</u>	<u>10,187,082</u>	<u>805,329</u>	<u>90,084,423</u>	<u>-</u>
<b>TOTAL ASSETS.....</b>	<u>46,481,104</u>	<u>45,147,757</u>	<u>10,607,790</u>	<u>1,582,402</u>	<u>103,819,053</u>	<u>7,345,513</u>
<b>LIABILITIES</b>						
<b>CURRENT:</b>						
Warrants payable.....	66,669	289,074	22,344	104,425	482,512	142,050
Health claims payable.....	-	-	-	-	-	2,167,338
Accrued interest.....	20,833	214,146	-	1,794	236,773	-
Other liabilities.....	-	-	-	513,867	513,867	-
Landfill closure.....	-	-	-	50,000	50,000	-
Compensated absences.....	2,000	1,600	1,200	100	4,900	-
Unamortized premium on bonds payable.....	26,796	-	-	-	26,796	-
Bonds and notes payable.....	615,889	2,179,725	-	303,743	3,099,357	-
Total current liabilities.....	<u>732,187</u>	<u>2,684,545</u>	<u>23,544</u>	<u>973,929</u>	<u>4,414,205</u>	<u>2,309,388</u>
<b>NONCURRENT:</b>						
Landfill closure.....	-	-	-	950,000	950,000	-
Compensated absences.....	18,000	14,400	10,800	900	44,100	-
Postemployment benefits.....	275,235	54,213	79,234	89,660	498,342	-
Unamortized premium on bonds payable.....	229,581	-	-	-	229,581	-
Bonds and notes payable.....	<u>6,240,665</u>	<u>27,218,278</u>	<u>-</u>	<u>1,835,393</u>	<u>35,294,336</u>	<u>-</u>
Total noncurrent liabilities.....	<u>6,763,481</u>	<u>27,286,891</u>	<u>90,034</u>	<u>2,875,953</u>	<u>37,016,359</u>	<u>-</u>
<b>TOTAL LIABILITIES.....</b>	<u>7,495,668</u>	<u>29,971,436</u>	<u>113,578</u>	<u>3,849,882</u>	<u>41,430,564</u>	<u>2,309,388</u>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt.....	34,032,296	12,828,115	10,187,082	51,686	57,099,179	-
Unrestricted.....	<u>4,953,140</u>	<u>2,348,206</u>	<u>307,130</u>	<u>(2,319,166)</u>	<u>5,289,310</u>	<u>5,036,125</u>
<b>TOTAL NET ASSETS..... \$</b>	<u>\$ 38,985,436</u>	<u>\$ 15,176,321</u>	<u>\$ 10,494,212</u>	<u>\$ (2,267,480)</u>	<u>\$ 62,388,489</u>	<u>\$ 5,036,125</u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2009

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Airport	Solid Waste	Total	
<b>OPERATING REVENUES:</b>						
Employee contributions .....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,555,566
Employer contributions .....	-	-	-	-	-	24,407,163
Charges for services .....	4,248,319	4,233,232	37,659	830,022	9,349,232	-
Recycling fees.....	-	-	-	197,142	197,142	-
Fuel Sales.....	-	-	2,346,172	-	2,346,172	-
Rentals.....	-	-	244,792	-	244,792	-
Other.....	13,229	279,256	-	7,554	300,039	327,500
<b>TOTAL OPERATING REVENUES .....</b>	<b>4,261,548</b>	<b>4,512,488</b>	<b>2,628,623</b>	<b>1,034,718</b>	<b>12,437,377</b>	<b>30,290,229</b>
<b>OPERATING EXPENSES:</b>						
Cost of services and administration .....	2,240,082	1,901,297	2,163,149	1,491,331	7,795,859	-
Depreciation.....	1,077,719	1,004,761	457,257	27,291	2,567,028	-
Employee benefits .....	-	-	-	-	-	30,072,939
<b>TOTAL OPERATING EXPENSES .....</b>	<b>3,317,801</b>	<b>2,906,058</b>	<b>2,620,406</b>	<b>1,518,622</b>	<b>10,362,887</b>	<b>30,072,939</b>
<b>OPERATING INCOME (LOSS).....</b>	<b>943,747</b>	<b>1,606,430</b>	<b>8,217</b>	<b>(483,904)</b>	<b>2,074,490</b>	<b>217,290</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Investment income/(loss).....	118,647	30,355	9,918	14,758	173,678	56,717
Interest expense.....	(140,622)	(1,524,276)	-	(61,777)	(1,726,675)	-
Intergovernmental.....	50,720	1,068,793	629,570	52,454	1,801,537	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES), NET.....</b>	<b>28,745</b>	<b>(425,128)</b>	<b>639,488</b>	<b>5,435</b>	<b>248,540</b>	<b>56,717</b>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS.....</b>	<b>972,492</b>	<b>1,181,302</b>	<b>647,705</b>	<b>(478,469)</b>	<b>2,323,030</b>	<b>274,007</b>
<b>TRANSFERS:</b>						
Transfers in.....	12,029	655,193	6,019	114,098	787,339	-
Transfers out.....	(784,196)	(352,360)	(200,660)	(320,142)	(1,657,358)	-
<b>TOTAL TRANSFERS.....</b>	<b>(772,167)</b>	<b>302,833</b>	<b>(194,641)</b>	<b>(206,044)</b>	<b>(870,019)</b>	<b>-</b>
<b>CHANGE IN NET ASSETS.....</b>	<b>200,325</b>	<b>1,484,135</b>	<b>453,064</b>	<b>(684,513)</b>	<b>1,453,011</b>	<b>274,007</b>
<b>NET ASSETS AT BEGINNING OF YEAR.....</b>	<b>38,785,111</b>	<b>13,692,186</b>	<b>10,041,148</b>	<b>(1,582,967)</b>	<b>60,935,478</b>	<b>4,762,118</b>
<b>NET ASSETS AT END OF YEAR.....</b>	<b>\$ 38,985,436</b>	<b>\$ 15,176,321</b>	<b>\$ 10,494,212</b>	<b>\$ (2,267,480)</b>	<b>\$ 62,388,489</b>	<b>\$ 5,036,125</b>

See notes to basic financial statements.

**PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS**

FISCAL YEAR ENDED JUNE 30, 2009

	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.....	\$ 4,214,213	\$ 3,867,449	\$ 2,628,623	\$ 1,034,718	\$ 11,745,003	\$ -
Receipts from interfund services provided.....	-	-	-	-	-	30,556,033
Payments to vendors.....	(1,020,080)	(1,286,114)	(2,222,457)	(372,344)	(4,900,995)	-
Payments to employees.....	(1,134,257)	(296,496)	(409,041)	(269,449)	(2,109,243)	-
Payments for interfund services used.....	-	-	-	-	-	(31,448,732)
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>2,059,876</b>	<b>2,284,839</b>	<b>(2,875)</b>	<b>392,925</b>	<b>4,734,765</b>	<b>(892,699)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Transfers in.....	12,029	655,193	6,019	114,098	787,339	-
Transfers out.....	(784,196)	(352,360)	(200,660)	(320,142)	(1,657,358)	-
Intergovernmental grants.....	50,720	-	-	-	50,720	-
<b>NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....</b>	<b>(721,447)</b>	<b>302,833</b>	<b>(194,641)</b>	<b>(206,044)</b>	<b>(819,299)</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Proceeds from the issuance of bonds and notes.....	5,853,849	821,000	-	752,650	7,427,499	-
Premium from the issuance of bonds and notes.....	256,377	37,097	-	32,958	326,432	-
Proceeds from the issuance of refunding bonds.....	102,500	562,200	-	101,175	765,875	-
Acquisition and construction of capital assets.....	(1,191,645)	(88,147)	(600,877)	(280,185)	(2,160,854)	-
Principal payments on bonds and notes.....	(3,023,157)	(3,314,702)	-	(760,583)	(7,098,442)	-
Interest expense.....	(127,806)	(1,566,915)	-	(93,164)	(1,787,885)	-
Intergovernmental grants.....	-	1,068,793	629,570	52,454	1,750,817	-
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....</b>	<b>1,870,118</b>	<b>(2,480,674)</b>	<b>28,693</b>	<b>(194,695)</b>	<b>(776,558)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Net proceeds from purchase/sales of investments.....	2,711,295	500,000	-	-	3,211,295	510,369
Investment income/(loss).....	118,647	30,355	9,918	14,758	173,678	56,717
<b>NET CASH FROM INVESTING ACTIVITIES.....</b>	<b>2,829,942</b>	<b>530,355</b>	<b>9,918</b>	<b>14,758</b>	<b>3,384,973</b>	<b>567,086</b>
<b>NET CHANGE IN CASH AND SHORT-TERM INVESTMENTS.....</b>	<b>6,038,489</b>	<b>637,353</b>	<b>(158,905)</b>	<b>6,944</b>	<b>6,523,881</b>	<b>(325,613)</b>
<b>CASH AND SHORT-TERM INVESTMENTS</b>						
AT BEGINNING OF YEAR.....	590,134	351,194	579,613	743,746	2,264,687	6,021,691
<b>CASH AND SHORT-TERM INVESTMENTS AT END OF YEAR.....</b>	<b>\$ 6,628,623</b>	<b>\$ 988,547</b>	<b>\$ 420,708</b>	<b>\$ 750,690</b>	<b>\$ 8,788,568</b>	<b>\$ 5,696,078</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</b>						
Operating income (loss).....	\$ 943,747	\$ 1,606,430	\$ 8,217	\$ (483,904)	\$ 2,074,490	\$ 217,290
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Depreciation.....	1,077,719	1,004,761	457,257	27,291	2,567,028	-
Changes in assets and liabilities:						
User fees.....	(47,335)	(580,552)	-	-	(627,887)	-
Departmental and other.....	-	(64,487)	-	-	(64,487)	265,804
Working capital deposit.....	-	-	-	-	-	121,300
Prepaid expenses.....	-	-	-	1,939	1,939	-
Warrants payable.....	(36,798)	278,747	(505,338)	(46,862)	(310,251)	131,627
Postemployment benefits.....	121,543	23,940	34,989	39,594	220,066	-
Accrued liabilities.....	-	-	-	340,000	340,000	-
Health claims payable.....	-	-	-	-	-	146,688
Other liabilities.....	-	-	-	513,867	513,867	(1,775,408)
Accrued compensated absences.....	1,000	16,000	2,000	1,000	20,000	-
Total adjustments.....	1,116,129	678,409	(11,092)	876,829	2,660,275	(1,109,989)
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>\$ 2,059,876</b>	<b>\$ 2,284,839</b>	<b>\$ (2,875)</b>	<b>\$ 392,925</b>	<b>\$ 4,734,765</b>	<b>\$ (892,699)</b>

**FIDUCIARY FUNDS**  
STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2009

	Pension Trust Fund (as of December 31, 2008)	Private Purpose Trust Funds	Agency Funds
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and short-term investments.....	\$ 838,694	\$ 2,400,756	\$ 1,344,300
Investments.....	83,820,866	-	-
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	45,065	-	-
<b>TOTAL ASSETS.....</b>	<b>84,704,625</b>	<b>2,400,756</b>	<b>1,344,300</b>
<b>LIABILITIES</b>			
Warrants payable.....	130,247	-	121,679
Liabilities due depositors.....	-	-	1,222,621
<b>TOTAL LIABILITIES.....</b>	<b>130,247</b>	<b>-</b>	<b>1,344,300</b>
<b>NET ASSETS</b>			
Held in trust for pension benefits and other purposes.....	\$ <u>84,574,378</u>	\$ <u>2,400,756</u>	\$ <u>-</u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2009

	Pension Trust Fund (as of December 31, 2008)	Private Purpose Trust Funds
<b>ADDITIONS:</b>		
Contributions:		
Employer.....	\$ 6,782,491	\$ -
Employee.....	3,317,671	-
Private donations.....	-	107,468
Miscellaneous.....	6,083	-
Total contributions.....	<u>10,106,245</u>	<u>107,468</u>
Net investment income (loss):		
Net change in fair value of investments.....	(37,411,407)	-
Interest.....	3,539,990	41,163
Total investment income (loss).....	<u>(33,871,417)</u>	<u>41,163</u>
Less: investment expense.....	<u>(684,682)</u>	<u>-</u>
Net investment income (loss).....	<u>(34,556,099)</u>	<u>41,163</u>
Intergovernmental.....	<u>127,580</u>	<u>-</u>
Transfers from other systems.....	<u>465,474</u>	<u>-</u>
TOTAL ADDITIONS.....	<u>(23,856,800)</u>	<u>148,631</u>
<b>DEDUCTIONS:</b>		
Administration.....	393,828	-
Transfers to other systems.....	193,239	-
Retirement benefits and refunds.....	11,313,884	-
TOTAL DEDUCTIONS.....	<u>11,900,951</u>	<u>-</u>
CHANGE IN NET ASSETS.....	<u>(35,757,751)</u>	<u>148,631</u>
NET ASSETS AT BEGINNING OF YEAR.....	<u>120,332,129</u>	<u>2,252,125</u>
NET ASSETS AT END OF YEAR.....	<u>\$ 84,574,378</u>	<u>\$ 2,400,756</u>

See notes to basic financial statements.

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

The accompanying basic financial statements of the Town of Plymouth, Massachusetts (the 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.

*Blended Component Units* – Blended component units are entities that are legally separate from the Town, but are so related that they are, in substance, the same as the Town or entities providing services entirely or almost entirely for the benefit of the Town. The following component unit is blended within the primary government:

In the Fiduciary Funds:

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 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 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 support 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 are 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 assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component units. *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, liabilities, 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, liabilities, 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 fiscal 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 fiscal 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 *state fiscal stabilization fund* is used to account for federal funds received as part of the 2009 stimulus package.

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

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 the proceeds of specific revenue sources (other than permanent funds or capital projects funds) that are restricted by law or administrative action to expenditures for specified purposes.

The *capital projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by enterprise and trust funds).

The *permanent fund* is used to account for 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 water activities.

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

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

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

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 System, which accumulates resources to provide pension benefits to eligible retirees and their beneficiaries.

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.

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

For the government-wide financial statements, and proprietary and fiduciary fund accounting, all applicable Financial Accounting Standards Board (FASB) pronouncements issued on or prior to November 30, 1989, are applied, unless those pronouncements conflict with or contradict GASB pronouncements.

#### 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 fiscal year of the levy.

Real estate tax liens are processed during the year on delinquent properties and are recorded as receivables in the fiscal 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 fiscal 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 fiscal 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 fiscal 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, land improvements, buildings, machinery and equipment, 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
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 fiscal year of the purchase.

H. 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 assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of net assets 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.

I. 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 assets. 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.

J. Deferred Revenue

Deferred 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. Deferred revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

K. Net Assets and Fund Equity*Government-Wide Financial Statements (Net Assets)*

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

Net assets have 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.

“Other purposes” represents restrictions placed on assets from outside parties.

*Fund Financial Statements (Fund Balances)*

Fund balances are reserved for amounts that are not available for appropriation or are legally restricted by outside parties for a specific future use. Designations of fund balance represent tentative management plans that are subject to change.

Fund balances have been “reserved for” the following:

“Encumbrances and continuing appropriations” represents amounts obligated under purchase orders, contracts and other commitments for expenditures that are being carried over to the ensuing fiscal year.

“Stabilization” represents the amount accumulated for general and/or capital purposes upon Town Meeting approval.

“Rate stabilization” represents the amount accumulated for offsetting the loss of revenue resulting from deregulation of the electric utility industry.

“Perpetual permanent funds” represents amounts held in trust for which only investment earnings may be expended.

L. 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 assets. 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. 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.

M. 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.

N. 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.

O. 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 fiscal year. Actual results could vary from estimates that were used.

P. Individual Fund Deficits

There are several individual fund deficits within the Special Revenue and Capital Project Funds. These deficits will be funded through grants, bond proceeds and available fund balance.

The Solid Waste Enterprise Fund has an accumulated deficit of (\$2,267,480). This deficit will be funded in future fiscal years through user charges and general fund subsidies.

#### Q. 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.

#### R. Prior Period Restatement

The Plymouth Growth & Development net assets have been restated by \$168,665 to reflect adjustments made in connection with recording amounts receivable for parking citations, net of allowance for uncollectible.

### **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 fiscal year 2009 was \$106,482,987, which was \$7,029,898 less than the levy limit allowable for the fiscal 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 fiscal year-end, the carrying amount of deposits totaled \$40,098,417 and the bank balance totaled \$42,249,704. Of the bank balance, \$3,190,033 was covered by Federal Depository Insurance, and \$39,059,671 was uninsured and uncollateralized.

At December 31, 2008, the carrying amount of deposits for the System totaled \$224,497 and the bank balance totaled \$425,698 all of which was covered by Federal Depository Insurance.

At December 31, 2008, the carrying amount of deposits for the Component Unit totaled \$254,898 and the bank balance totaled \$266,850. Of the bank balance, \$225,927 was covered by Federal Depository Insurance, and \$40,923 was uninsured and uncollateralized.

Investments

As of June 30, 2009, the Town of Plymouth had the following investments:

Investment Type	Fair Value	Maturity			
		Under 1 Year	1-5 Years	6-10 Years	Over 10 Years
<u>Debt Securities</u>					
U.S. Government Agencies.....	\$ 4,702,113	\$ 4,201,313	\$ 500,800	\$ -	\$ -
Corporate Bonds.....	4,390,948	1,478,259	2,536,044	-	376,645
Total Debt Securities.....	9,093,061	<u>5,679,572</u>	<u>3,036,844</u>	<u>-</u>	<u>376,645</u>
<u>Other Investments</u>					
Equity Securities.....	1,756,275				
Money Market Mutual Funds.....	13,898,506				
MMDT.....	4,786,395				
Total Investments.....	\$ <u>29,534,237</u>				

As of December 31, 2008, the Retirement System had the following investments:

Investment Type	Fair Value	Maturity			
		Under 1 Year	1-5 Years	6-10 Years	Over 10 Years
<u>Debt Securities</u>					
Bond Mutual Funds.....	\$ 19,412,707	\$ <u>309</u>	\$ <u>1,797,108</u>	\$ <u>17,224,592</u>	\$ <u>390,698</u>
<u>Other Investments</u>					
Equity Securities.....	14,257,388				
Equity Mutual Funds.....	17,623,420				
PRIT Pooled Real Estate.....	9,210,161				
Money Market Mutual Funds.....	614,197				
Alternative Investment Mutual Funds.....	7,950,928				
International Equity Funds.....	15,366,262				
Total Investments.....	\$ <u>84,435,063</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 \$4,702,113 in U.S. Government Agencies, \$1,756,275 in Equity Securities and \$4,390,948 in Corporate Bonds, the Town has a custodial credit risk exposure of \$10,849,336 because the related securities are uninsured, unregistered and held by the counterparty. The Town does not have an investment policy for custodial credit risk.

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 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

The Town has not adopted a formal policy related to credit risk. At June 30, 2009 the Town’s investments in U.S. Government Agencies are rated AAA and Corporate Bonds are rated AAA and AA. The money market mutual funds, MMDT and equity securities 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, 2009, the System does not have any rated investments.

Concentration of Credit Risk

The Town places no limit on the amount that may be invested in any one issuer.

**Investments Exceeding 5% of the Town's Investments**

Federal Home Ln Mtg. Corp.....	34%
Federal Home Ln Bank.....	10%
Corporate Bonds.....	40%
Merrill Lynch.....	16%

The System places a five percent maximum investment in any one issuer. There were no individual investments that exceeded five percent of the total investments at June 30, 2009.

**NOTE 4 – RECEIVABLES**

At June 30, 2009, 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...	\$ 2,550,697	\$ (56,000)	\$ 2,494,697
Tax liens.....	757,762	-	757,762
Motor vehicle and other excise taxes.....	1,641,175	(857,000)	784,175
Departmental and other.....	444,180	-	444,180
Special assessments.....	2,141	-	2,141
Intergovernmental.....	18,984,686	-	18,984,686
Total.....	<u>\$ 24,380,641</u>	<u>\$ (913,000)</u>	<u>\$ 23,467,641</u>

At June 30, 2009, receivables for the enterprise funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Water user fees.....	\$ 1,547,215	\$ -	\$ 1,547,215
Water intergovernmental.....	133,265	-	133,265
Sewer user fees.....	1,846,162	-	1,846,162
Sewer departmental and other.....	86,930	-	86,930
Sewer intergovernmental.....	7,341,357	-	7,341,357
Solid Waste intergovernmental.....	376,026	-	376,026
Total.....	<u>\$ 11,330,955</u>	<u>\$ -</u>	<u>\$ 11,330,955</u>

Governmental funds report *deferred 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 fiscal year, the various components of *deferred 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....	\$ 1,609,286	\$ -	\$ -	\$ 1,609,286
Tax liens.....	753,080	4,682	-	757,762
Motor vehicle and other excise taxes.....	784,175	-	-	784,175
Departmental and other.....	49,770	28,126	-	77,896
Special assessments.....	-	-	2,141	2,141
Intergovernmental.....	14,631,714	537,613	3,406,934	18,576,261
Tax foreclosures.....	1,190,476	-	-	1,190,476
	<u>\$ 19,018,501</u>	<u>\$ 570,421</u>	<u>\$ 3,409,075</u>	<u>\$ 22,997,997</u>

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2009, was as follows:

**Governmental Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 91,422,416	\$ 1,891,500	\$ -	\$ 93,313,916
Construction in progress.....	10,952,021	599,132	(10,952,021)	599,132
Total capital assets not being depreciated.....	102,374,437	2,490,632	(10,952,021)	93,913,048
<u>Capital assets being depreciated:</u>				
Land improvements.....	7,220,666	201,349	-	7,422,015
Buildings.....	92,214,339	12,007,573	-	104,221,912
Machinery and equipment.....	31,320,651	4,224,029	-	35,544,680
Infrastructure.....	64,236,145	2,498,744	-	66,734,889
Vehicles.....	2,969,827	1,406,716	-	4,376,543
Total capital assets being depreciated.....	197,961,628	20,338,411	-	218,300,039
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(2,304,915)	(348,920)	-	(2,653,835)
Buildings.....	(39,872,516)	(2,296,900)	-	(42,169,416)
Machinery and equipment.....	(25,861,871)	(1,319,538)	-	(27,181,409)
Infrastructure.....	(34,647,222)	(1,825,212)	-	(36,472,434)
Vehicles.....	(1,355,775)	(544,714)	-	(1,900,489)
Total accumulated depreciation.....	(104,042,299)	(6,335,284)	-	(110,377,583)
Total capital assets being depreciated, net.....	93,919,329	14,003,127	-	107,922,456
Total governmental activities capital assets, net.....	\$ 196,293,766	\$ 16,493,759	\$ (10,952,021)	\$ 201,835,504

**Business-Type Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 19,633,192	\$ -	\$ -	\$ 19,633,192
Construction in progress.....	3,116,213	494,495	(3,116,213)	494,495
Total capital assets not being depreciated.....	<u>22,749,405</u>	<u>494,495</u>	<u>(3,116,213)</u>	<u>20,127,687</u>
<u>Capital assets being depreciated:</u>				
Land improvements.....	5,584,725	1,902,176	-	7,486,901
Buildings.....	32,127,102	-	-	32,127,102
Machinery and equipment.....	1,818,803	382,183	-	2,200,986
Vehicles.....	608,746	79,995	-	688,741
Infrastructure.....	68,518,137	2,418,218	-	70,936,355
Total capital assets being depreciated.....	<u>108,657,513</u>	<u>4,782,572</u>	<u>-</u>	<u>113,440,085</u>
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(2,176,879)	(314,539)	-	(2,491,418)
Buildings.....	(4,320,360)	(709,037)	-	(5,029,397)
Machinery and equipment.....	(677,369)	(129,410)	-	(806,779)
Vehicles.....	(237,871)	(87,107)	-	(324,978)
Infrastructure.....	(40,765,945)	(1,326,935)	-	(42,092,880)
Total accumulated depreciation.....	<u>(48,178,424)</u>	<u>(2,567,028)</u>	<u>-</u>	<u>(50,745,452)</u>
Total capital assets being depreciated, net.....	<u>60,479,089</u>	<u>2,215,544</u>	<u>-</u>	<u>62,694,633</u>
Total business-type activities capital assets, net.....	<u>\$ 83,228,494</u>	<u>\$ 2,710,039</u>	<u>\$ (3,116,213)</u>	<u>\$ 82,822,320</u>

**Component Unit**

<u>Capital assets being depreciated:</u>				
Machinery and equipment.....	\$ 246,607	\$ -	\$ -	\$ 246,607
Vehicles.....	7,982	-	-	7,982
Total capital assets being depreciated.....	<u>254,589</u>	<u>-</u>	<u>-</u>	<u>254,589</u>
<u>Less accumulated depreciation for:</u>				
Machinery and equipment.....	(44,581)	(48,947)	-	(93,528)
Vehicles.....	(798)	(1,596)	-	(2,394)
Total accumulated depreciation.....	<u>(45,379)</u>	<u>(50,543)</u>	<u>-</u>	<u>(95,922)</u>
Total capital assets being depreciated, net.....	<u>\$ 209,210</u>	<u>\$ (50,543)</u>	<u>\$ -</u>	<u>\$ 158,667</u>

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

**Governmental Activities:**

General government.....	\$ 372,119
Public safety.....	1,024,489
Education.....	2,232,384
Public works.....	2,495,875
Community preservation.....	-
Human services.....	37,812
Culture and recreation.....	<u>172,605</u>

Total depreciation expense - governmental activities..... \$ 6,335,284

**Business-Type Activities:**

Water.....	\$ 1,077,719
Sewer.....	1,004,761
Airport.....	457,257
Solid Waste.....	<u>27,291</u>

Total depreciation expense - business-type activities..... \$ 2,567,028

**Component Unit Activities:**

Plymouth Growth and Development Corporation.....	<u>\$ 50,543</u>
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**NOTE 6 – INTERFUND TRANSFERS**

Interfund transfers for the fiscal year ended June 30, 2009, are summarized as follows:

Operating Transfers Out:	Operating Transfers In:							Total
	General Fund	School Capital Articles	Nonmajor Governmental Funds	Water Enterprise Fund	Sewer Enterprise Fund	Airport Enterprise Fund	Solid Waste Enterprise Fund	
General Fund.....	\$ -	\$ 130,966	\$ 692,026	\$ 12,029	\$ 655,193	\$ 6,019	\$ 72,155	\$ 1,568,388
Nonmajor Governmental Funds.....	4,914,570	-	-	-	-	-	41,943	4,956,513
Water Enterprise Fund.....	784,196	-	-	-	-	-	-	784,196
Sewer Enterprise Fund.....	352,360	-	-	-	-	-	-	352,360
Airport Enterprise Fund.....	200,660	-	-	-	-	-	-	200,660
Solid Waste Enterprise Fund.....	<u>320,142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>320,142</u>
	<u>\$ 6,571,928</u>	<u>\$ 130,966</u>	<u>\$ 692,026</u>	<u>\$ 12,029</u>	<u>\$ 655,193</u>	<u>\$ 6,019</u>	<u>\$ 114,098</u>	<u>\$ 8,182,259</u>

Transfers represent amounts voted to fund the fiscal year 2009 operating budget, reimbursements of indirect costs of the enterprise funds and general fund debt service and capital subsidies to the water, sewer, and solid waste enterprise funds.

**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 fiscal year ended June 30, 2009, are as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2008	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2009
<b>Governmental Funds</b>							
BAN	Various.....	2.75	05/15/09	\$ 35,158,467	\$ -	\$ (35,158,467)	\$ -
BAN	School Construction.....	1.50	05/13/10	-	4,000,000	-	4,000,000
BAN	Land Acquisition.....	1.00	11/13/09	-	2,150,000	-	2,150,000
GAN	Land Acquisition.....	2.00	12/16/09	-	500,000	-	500,000
Total Governmental.....				\$ 35,158,467	\$ 6,650,000	\$ (35,158,467)	\$ 6,650,000
<b>Enterprise Funds</b>							
BAN	Water.....	2.75	05/15/09	\$ 2,576,849	\$ -	\$ (2,576,849)	\$ -
BAN	Sewer.....	2.75	05/15/09	1,020,000	-	(1,020,000)	-
BAN	Solid Waste.....	2.75	05/15/09	568,650	-	(568,650)	-
Total Enterprise.....				\$ 4,165,499	\$ -	\$ (4,165,499)	\$ -

On November 13, 2009, the Town paid down \$1,000,000 of the outstanding short-term debt and renewed \$1,150,000 at an interest rate of 1.25% payable on May 13, 2010. On December 16, 2009, the entire \$500,000 GAN was paid down at maturity.

The BAN related to school construction is exempt from the limitations of Proposition 2 ½.

**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, 2009, and the debt service requirements are as follows:

**Bonds and Notes Payable Schedule – Governmental Funds**

Project	Interest Rate (%)	Outstanding at June 30, 2008	Issued	Redeemed	Outstanding at June 30, 2009
Municipal Purpose.....	3.40 - 5.20	\$ 290,000	\$ -	\$ 290,000	\$ -
Town Hall Remodeling.....	4.15 - 5.75	450,000	-	90,000	360,000
Fire Station Bonds.....	4.15 - 5.75	425,000	-	85,000	340,000
Memorial Hall Remodeling.....	4.10 - 5.00	1,800,000	-	1,800,000	-
Recreational Facilities Bonds.....	4.10 - 5.00	1,150,000	-	1,150,000	-
Wastewater Treatment Facility.....	4.10 - 5.00	90,000	-	90,000	-
Beach Restoration Bonds.....	4.10 - 5.00	65,000	-	65,000	-
Municipal Purpose.....	4.75 - 6.00	21,885,000	-	18,275,000	3,610,000
Senior Center.....	3.25 - 3.88	80,000	-	20,000	60,000
Beach Restoration.....	3.25 - 3.88	40,000	-	10,000	30,000
Computer Hardware.....	3.50	1,325,000	-	225,000	1,100,000
Infrastructure - Streets.....	3.35	325,000	-	325,000	-
Beach Restoration.....	3.40	60,000	-	30,000	30,000
Title V - MWPAT.....	4.00	99,905	-	11,100	88,805
Title V - MWPAT.....	4.94	156,675	-	9,525	147,150
Title V - MWPAT.....	0.00	118,284	-	9,190	109,094
Title V - MWPAT.....	0.00	190,000	-	10,000	180,000
Title V - MWPAT.....	0.00	200,000	-	10,000	190,000
Title V - MWPAT.....	0.00	200,000	-	-	200,000
FY09 Municipal Purpose Bonds.....	2.00 - 5.00	-	28,486,501	-	28,486,501
FY09 Municipal Purpose Bonds (Refunding).....	3.00 - 5.00	-	18,769,125	-	18,769,125
Total Governmental Bonds Payable.....		\$ 28,949,864	\$ 47,255,626	\$ 22,504,815	\$ 53,700,675

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

Fiscal Year	Principal	Interest	Total
2010.....	\$ 6,485,592	\$ 1,866,341	\$ 8,351,933
2011.....	6,326,816	1,767,935	8,094,751
2012.....	5,257,182	1,553,088	6,810,270
2013.....	4,703,288	1,392,822	6,096,110
2014.....	3,910,366	1,252,577	5,162,943
2015.....	3,388,599	1,131,361	4,519,960
2016.....	3,366,074	984,238	4,350,312
2017.....	3,125,074	838,845	3,963,919
2018.....	2,988,974	698,147	3,687,121
2019.....	2,838,973	563,062	3,402,035
2020.....	2,824,870	434,016	3,258,886
2021.....	1,689,867	337,572	2,027,439
2022.....	1,105,000	283,150	1,388,150
2023.....	1,055,000	240,050	1,295,050
2024.....	960,000	188,925	1,148,925
2025.....	950,000	151,675	1,101,675
2026.....	945,000	105,800	1,050,800
2027.....	890,000	69,200	959,200
2028.....	740,000	34,800	774,800
2029.....	130,000	5,097	135,097
2030.....	10,000	-	10,000
2031.....	10,000	-	10,000
Total.....	\$ <u>53,700,675</u>	\$ <u>13,898,701</u>	\$ <u>67,599,376</u>

The Town is scheduled to be subsidized by the Massachusetts Water Pollution Abatement Trust (MWPAT) on a periodic basis for interest costs for \$119,148. Thus, net MWPAT loan repayments, including interest, are scheduled to be \$915,175. 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 fiscal year 2009 interest subsidy totaled approximately \$18,619.

The Commonwealth has approved school construction assistance. The assistance program, which is administered by the Massachusetts School Building Authority, provides resources for future debt service of general obligation school bonds outstanding. During fiscal year 2009, approximately \$1,722,000 of such assistance was received. Approximately \$18,748,000 will be received in future fiscal years. Of this amount, approximately \$4,116,000 represents reimbursement of long-term interest costs, and approximately \$14,632,000 represents reimbursement of approved construction costs. Accordingly, a \$14,632,000 intergovernmental receivable and corresponding deferred revenue have been reported in governmental fund financial statements. The deferred revenue has been recognized as revenue in the conversion to the government-wide financial statements.

**Bonds and Notes Payable Schedule – Enterprise Funds**

Project	Interest Rate (%)	Outstanding at June 30, 2008	Issued	Redeemed	Outstanding at June 30, 2009
Sewer Projects.....	3.40 - 5.20	\$ 40,000	\$ -	\$ 40,000	\$ -
Sewer Projects - MWPAT.....	2.35 - 5.50	119,736	-	119,736	-
Sewer Projects - MWPAT (Refunding).....	4.64	1,188,500	-	202,000	986,500
Wastewater Treatment.....	4.10 - 5.00	120,000	-	120,000	-
Sewer Projects.....	4.75 - 6.00	735,000	-	545,000	190,000
Wastewater Treatment - MWPAT (Refunding)....	5.10	20,268,976	-	1,292,649	18,976,327
Wastewater Treatment - MWPAT (Refunding)....	5.02	7,888,803	-	424,113	7,464,690
Wastewater Treatment - MWPAT.....	3.00 - 5.00	285,580	-	13,294	272,286
Russell Mills Dam Project.....	0.00	-	125,000	-	125,000
FY09 Sewer Bonds.....	2.00 - 5.00	-	821,000	-	821,000
FY09 Sewer Bonds (Refunding).....	3.00 - 5.00	-	562,200	-	562,200
Sub-Total sewer bonds payable.....		<u>30,646,595</u>	<u>1,508,200</u>	<u>2,756,792</u>	<u>29,398,003</u>
Water.....	3.40 - 5.20	105,000	-	105,000	-
Water.....	3.40 - 5.20	65,000	-	65,000	-
Water Well and Tank Bonds.....	4.75 - 6.00	160,000	-	120,000	40,000
Water Well and Tank Bonds.....	3.25 - 3.88	380,000	-	95,000	285,000
Water.....	3.25 - 3.88	140,000	-	35,000	105,000
North Plymouth Water Well (Refunding).....	5.09	501,116	-	30,911	470,205
FY09 Water Bonds.....	2.00 - 5.00	-	5,853,849	-	5,853,849
FY09 Water Bonds (Refunding).....	3.00 - 5.00	-	102,500	-	102,500
Sub-Total water bonds payable.....		<u>1,351,116</u>	<u>5,956,349</u>	<u>450,911</u>	<u>6,856,554</u>
Landfill Bonds.....	4.10 - 5.00	125,000	-	125,000	-
State Revolving Fund - Landfill 1 (Refunding)....	5.31	1,135,970	-	73,305	1,062,665
State Revolving Fund - Landfill 2 (Refunding)....	5.32	238,320	-	15,674	222,646
FY09 Solid Waste Bonds.....	2.00 - 5.00	-	752,650	-	752,650
FY09 Solid Waste Bonds (Refunding).....	3.00 - 5.00	-	101,175	-	101,175
Sub-Total solid waste bonds payable.....		<u>1,499,290</u>	<u>853,825</u>	<u>213,979</u>	<u>2,139,136</u>
Total Enterprise Bonds Payable.....		<u>\$ 33,497,001</u>	<u>\$ 8,318,374</u>	<u>\$ 3,421,682</u>	<u>\$ 38,393,693</u>

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

**SEWER ENTERPRISE FUND, DEBT SERVICE PAYMENTS**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010.....	\$ 2,179,725	\$ 1,421,068	\$ 3,600,793
2011.....	2,237,632	1,317,243	3,554,875
2012.....	2,302,032	1,208,389	3,510,421
2013.....	2,256,818	1,179,734	3,436,552
2014.....	2,428,737	921,010	3,349,747
2015.....	2,222,643	842,915	3,065,558
2016.....	2,289,014	724,961	3,013,975
2017.....	2,243,792	603,095	2,846,887
2018.....	2,312,163	478,285	2,790,448
2019.....	2,389,037	346,372	2,735,409
2020.....	2,452,814	191,794	2,644,608
2021.....	2,496,185	125,066	2,621,251
2022.....	684,556	60,651	745,207
2023.....	698,335	26,825	725,160
2024.....	54,520	8,226	62,746
2025.....	30,000	6,413	36,413
2026.....	30,000	4,913	34,913
2027.....	30,000	3,713	33,713
2028.....	30,000	2,513	32,513
2029.....	30,000	1,275	31,275
Total.....	<u>\$ 29,398,003</u>	<u>\$ 9,474,461</u>	<u>\$ 38,872,464</u>

**WATER ENTERPRISE FUND, DEBT SERVICE PAYMENTS**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010.....	\$ 615,889	\$ 255,862	\$ 871,751
2011.....	613,165	239,815	852,980
2012.....	616,000	219,883	835,883
2013.....	476,000	199,265	675,265
2014.....	465,500	184,692	650,192
2015.....	470,000	171,271	641,271
2016.....	465,000	150,528	615,528
2017.....	435,000	132,060	567,060
2018.....	290,000	113,630	403,630
2019.....	260,000	100,750	360,750
2020.....	260,000	89,519	349,519
2021.....	250,000	79,794	329,794
2022.....	205,000	70,469	275,469
2023.....	205,000	62,269	267,269
2024.....	205,000	52,018	257,018
2025.....	205,000	43,822	248,822
2026.....	205,000	33,568	238,568
2027.....	205,000	25,368	230,368
2028.....	205,000	17,168	222,168
2029.....	205,000	8,712	213,712
<b>Total.....</b>	<b>\$ 6,856,554</b>	<b>\$ 2,250,463</b>	<b>\$ 9,107,017</b>

**SOLID WASTE ENTERPRISE FUND, DEBT SERVICE PAYMENTS**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010.....	\$ 303,743	\$ 90,156	\$ 393,899
2011.....	296,943	81,487	378,430
2012.....	284,583	69,925	354,508
2013.....	239,283	55,417	294,700
2014.....	159,584	48,481	208,065
2015.....	110,000	41,057	151,057
2016.....	115,000	34,759	149,759
2017.....	115,000	28,674	143,674
2018.....	120,000	22,195	142,195
2019.....	125,000	16,085	141,085
2020.....	125,000	10,363	135,363
2021.....	130,000	4,131	134,131
2022.....	5,000	650	5,650
2023.....	5,000	450	5,450
2024.....	5,000	200	5,200
<b>Total.....</b>	<b>\$ 2,139,136</b>	<b>\$ 504,030</b>	<b>\$ 2,643,166</b>

The Town is scheduled to be subsidized by the Massachusetts Water Pollution Abatement Trust (MWPAT) on a periodic basis for principal in the amount of \$7,725,648 and interest costs for \$7,187,225. Thus, net MWPAT loan repayments, including interest, are scheduled to be \$24,300,061. The principal subsidies are guaranteed and therefore intergovernmental receivables and corresponding revenues of \$7,216,357, \$133,265, and \$376,026 have been reported in the Sewer Enterprise, Water Enterprise, and Solid Waste 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 fiscal year 2009 principal and interest subsidies totaled approximately \$1,543,043, \$24,625 and \$74,501, 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, 2009, the Town had the following authorized and unissued debt:

Purpose	Amount
Sewer Truck.....	\$ 20,000
Title V.....	214,746
Replace Lout Pond Well.....	900,000
Rehabilitate Harrington Tank.....	145,000
Test Wells.....	100,000
Wannos Pond Well.....	545,000
Billington Sea Dam.....	200,000
Sand Filter Beds Bradford Green.....	750,000
Rehab Nelson Street Playground.....	500,000
Standish Ave Road Improvement.....	750,000
Emergency Management Operations Center....	500,000
Beach Improvements.....	2,727,000
Plymouth South Roof Repairs.....	1,290,000
West Elementary HVAC.....	3,305,000
Schools and Senior Center.....	<u>195,000,000</u>
Total.....	<u>\$ 206,946,746</u>

On June 26, 2006, the Town authorized borrowing \$199,000,000 for the construction of two new high schools and a senior center, subject to the approval of the school projects by the Massachusetts School Building Authority. On September 19, 2006, the Town voted to exempt the debt service on these projects from the limitations of Proposition 2 ½. The Town has received approval from the Massachusetts School Building Authority for grants associated with the \$4,000,000 in preliminary expenditures related to one of the school projects. In fiscal 2009, the Town issued a BAN in the amount of \$4,000,000 related to the original authorization. This note matures on May 13, 2010. Please refer to footnote 7 for more information.

Changes in Long-Term Liabilities

During the fiscal year ended June 30, 2009, the following changes occurred in long-term liabilities:

	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009	Current Portion
<b>Governmental Activities:</b>					
Long-Term Bonds and Notes.....	\$ 28,949,864	\$ 47,255,626	\$ (22,504,815)	\$ 53,700,675	\$ 6,485,592
Compensated Absences.....	1,496,000	124,600	(149,600)	1,471,000	147,100
Postemployment benefits.....	11,365,068	8,987,692	-	20,352,760	-
Unamortized Premiums on Bonds.....	-	2,934,265	-	2,934,265	368,092
Total governmental activity long-term liabilities.....	<u>\$ 41,810,932</u>	<u>\$ 59,302,183</u>	<u>\$ (22,654,415)</u>	<u>\$ 78,458,700</u>	<u>\$ 7,000,784</u>
<b>Business-Type Activities:</b>					
Compensated Absences.....	\$ 29,000	\$ 22,900	\$ (2,900)	\$ 49,000	\$ 4,900
Landfill Closure.....	660,000	370,000	(30,000)	1,000,000	50,000
Postemployment benefits.....	278,286	220,056	-	498,342	-
Long-Term Bonds and Notes.....	33,497,001	8,318,374	(3,421,682)	38,393,693	3,099,357
Unamortized Premiums on Bonds.....	-	326,432	(70,055)	256,377	26,796
Total business-type activity long-term liabilities.....	<u>\$ 34,464,287</u>	<u>\$ 9,257,762</u>	<u>\$ (3,524,637)</u>	<u>\$ 40,197,412</u>	<u>\$ 3,181,053</u>
<b>Component Unit:</b>					
Capital Leases.....	<u>\$ 144,470</u>	<u>\$ -</u>	<u>\$ (48,675)</u>	<u>\$ 95,795</u>	<u>\$ 95,795</u>

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

**NOTE 9 - STABILIZATION FUNDS**

At June 30, 2009, \$8,573,453 has been set aside in a stabilization fund, which is classified in the General Fund. During fiscal year 2009, the Town transferred \$1,000,000 from the approved operating budget into the fund. The Town transferred \$2,750,000 from the fund for the approved operating budget in fiscal year 2009. The Town also transferred \$250,000 from this fund to the sewer enterprise fund. The stabilization fund balance can be used for general and/or capital purposes upon Town Meeting approval.

At June 30, 2009, \$590,344 has been set aside in a rate stabilization fund, which is classified as a component of the non-major governmental funds financial statements. During FY2009 the Town transferred \$3,640,000 to the general fund to support the current operating budget. The rate stabilization fund may be used for any purpose to offset the loss of revenue resulting from deregulation of the electric utility industry.

**NOTE 10 – 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 reasonable 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 8% 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 \$150,000. At June 30, 2009, the amount of the liability for health and dental insurance claims totaled \$2,167,338. This liability is the best estimate based on available information. Changes in the reported liability since July 1, 2007, are as follows:

	Balance at Beginning of Fiscal Year		Current Year Claims and Changes in Estimate		Claims Payments		Balance at Fiscal Year-End
Fiscal Year 2008.....	\$ 1,771,138	\$	28,954,736	\$	(28,705,224)	\$	2,020,650
Fiscal Year 2009.....	2,020,650		31,595,420		(31,448,732)		2,167,338

**NOTE 11 - 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 \$9,570,000 for the fiscal year ended June 30, 2009, 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 unaudited 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, 2008, the System's membership consists of the following:

Active members.....	1068
Inactive members.....	235
Disabled members.....	77
Retirees and beneficiaries currently receiving benefits.....	<u>475</u>
Total.....	<u>1,855</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 fiscal 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 fiscal years ended June 30, 2009, 2008, and 2007 were \$6,644,019, \$6,278,086, and \$5,798,293, respectively, which equaled its required contribution for each fiscal year. At June 30, 2009, the Town did not have a net pension obligation. The required contribution was determined as part of the January 1, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included an 8.25% investment rate of return and projected salary increases of 4% per year. The actuarial value of the System's assets was determined using the fair value of the assets. The System's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll. The remaining amortization period at January 1, 2008, was 13 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)
01/01/08	\$ 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%
01/01/03	77,285	124,140	46,855	62.3%	28,957	161.8%
01/01/01	85,389	114,181	28,792	74.8%	27,445	104.9%

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 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

Fiscal year 2009 is the initial year that the Town has implemented GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (GASB 45). As allowed by GASB 45, the Town has established the net Other Post Employment Benefit (OPEB) obligation at zero at the beginning of the transition year and has applied the measurement and recognition requirements of GASB 45 on a prospective basis.

*Plan Description* - 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 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.

At June 30, 2009, the Plan’s membership consisted of the following:

Current retirees, beneficiaries, and dependents.....	1,177
Current active members.....	<u>1,184</u>
 Total	 <u><u>2,361</u></u>

*Funding Policy*—Contributions requirements are also negotiated between the Town and union representatives. Retired plan members and beneficiaries currently receiving benefits are required to contribute 20% of the cost of benefits provided. For the fiscal year ended June 30, 2009, plan members contributed approximately \$2,395,000 through their required contributions. The Town is required to contribute the balance of the current premiums and may contribute additional amounts to pre-fund benefits. The Town also contributed approximately \$11,975,000 during fiscal year 2009 towards these benefits. Administrative costs of the Plan are assumed to be included in the fully insured premium rates.

*Annual OPEB Costs and Net OPEB Obligation*—The Town’s annual other post employment 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:

Normal cost.....	\$ 11,028,858
Amortization of unfunded actuarial accrued liability.....	<u>10,153,450</u>
Annual OPEB cost (expense).....	21,182,308
Contributions made.....	<u>(11,974,550)</u>
Increase/Decrease in net OPEB obligation.....	9,207,758
Net OPEB obligation - beginning of year.....	<u>11,643,344</u>
Net OPEB obligation - end of year.....	<u>\$ 20,851,102</u>

The Town’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year is as follows:

Fiscal Year Ended	Annual Required Contribution	Actual Contributions Made	Percentage Contributed
2009	\$ 21,182,308	\$ 11,974,550	56.5%
2008	\$ 20,340,389	\$ 8,697,045	42.8%

*Funded Status and Funding Progress*—The funded status of the Plan as of the most recent actuarial valuation date, July 1, 2006, 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)
7/1/2006	\$ -	\$ 264,991,414	\$ 264,991,414	0.00%	\$ 90,445,199	292.99%

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 healthcares 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 financials reporting purposes are based on the substantive plan (the plan an 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.

**NOTE 13 - 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 \$1.0 million.

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 fiscal year.

**NOTE 14 - 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 fiscal year 2014 when the contract expires. Actual expenditures under this contract for fiscal year 2009 were approximately \$389,000.

The Town has entered into, or is planning to enter into, contracts totaling approximately \$207,000,000 for construction of a school and senior center, sewage treatment and disposal plant, for various beach improvements, for improvements of the North Plymouth well, for school roof and HVAC repairs, for various school technology upgrades, for infrastructure management, and for the Title V septic replacement loans.

**NOTE 15 - 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, 2009, 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, 2009, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2009.

**NOTE 16 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

During fiscal year 2009, the following GASB pronouncements were implemented:

- The GASB issued Statement #52, Land and Other Real Estate Held as Investments by Endowments, which is required to be implemented in fiscal year 2009. The standards in this statement require all investments in land and real estate in permanent and similar funds to be reported at fair value. Management does not expect this pronouncement to impact the basic financial statements.

- The GASB issued Statement #55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This pronouncement did not impact the basic financial statements.
- The GASB issued Statement #56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. This pronouncement did not impact the basic financial statements
- The GASB issued Statement #57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. This pronouncement did not impact the basic financial statements.
- The GASB issued Statement #58, *Accounting and Financial reporting for Chapter 9 Bankruptcies*. This pronouncement did not impact the basic financial statements

Future Implementation of GASB Pronouncements:

- The GASB issued Statement # 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which is required to be implemented in fiscal year 2011. Management believes this pronouncement will require additional disclosure and impact the basic financial statements.

# ***Required Supplementary Information***

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

FISCAL YEAR ENDED JUNE 30, 2009

	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.....	\$ -	\$ 104,941,305	\$ 104,941,305	\$ 105,455,510	\$ 105,332,297	\$ -	\$ (123,213)
Tax liens.....	-	-	-	-	779,364	-	779,364
Motor vehicle and other excise taxes.....	-	6,775,885	6,775,885	6,775,885	6,476,695	-	(299,190)
Intergovernmental.....	-	30,939,252	30,939,252	30,939,252	29,343,233	-	(1,596,019)
Departmental and other.....	-	5,762,000	5,762,000	5,762,000	5,342,065	-	(419,935)
Investment income.....	-	780,000	780,000	780,000	787,805	-	7,805
<b>TOTAL REVENUES.....</b>	<b>-</b>	<b>149,198,442</b>	<b>149,198,442</b>	<b>149,712,647</b>	<b>148,061,459</b>	<b>-</b>	<b>(1,651,188)</b>
<b>EXPENDITURES:</b>							
Current:							
General government.....	1,486,419	8,118,398	9,604,817	9,445,333	8,247,736	1,078,191	119,406
Public safety.....	741,814	19,029,609	19,771,423	19,838,521	18,667,048	51,259	1,120,214
Education.....	1,333,673	79,675,094	81,008,767	81,008,767	77,401,441	553,407	3,053,919
Public works.....	1,293,242	4,853,013	6,146,255	6,865,820	7,045,367	719,295	(898,842)
Human services.....	56,383	1,048,285	1,104,668	1,359,668	1,290,234	5,191	64,243
Culture and recreation.....	118,774	2,114,802	2,233,576	2,338,300	2,084,642	192,517	61,141
Pension benefits.....	-	6,662,019	6,662,019	6,644,019	6,644,019	-	-
Employee benefits.....	37,200	26,411,513	26,448,713	26,623,713	26,531,838	60,000	31,875
State and county charges.....	-	870,221	870,221	870,221	847,297	-	22,924
Debt service:							
Principal.....	-	4,246,499	4,246,499	3,490,007	3,489,815	-	192
Interest.....	-	2,164,893	2,164,893	2,069,893	2,016,745	-	53,148
<b>TOTAL EXPENDITURES.....</b>	<b>5,067,505</b>	<b>155,194,346</b>	<b>160,261,851</b>	<b>160,554,262</b>	<b>154,266,182</b>	<b>2,659,860</b>	<b>3,628,220</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(5,067,505)</b>	<b>(5,995,904)</b>	<b>(11,063,409)</b>	<b>(10,841,615)</b>	<b>(6,204,723)</b>	<b>(2,659,860)</b>	<b>1,977,032</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Premium from issuance of bonds.....	-	-	-	-	1,252,355	-	1,252,355
Transfers in.....	-	8,529,713	8,529,713	9,105,842	9,321,928	-	216,086
Transfers out.....	-	(1,545,465)	(1,545,465)	(2,343,388)	(2,393,388)	-	(50,000)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>6,984,248</b>	<b>6,984,248</b>	<b>6,762,454</b>	<b>8,180,895</b>	<b>-</b>	<b>1,418,441</b>
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>(5,067,505)</b>	<b>988,344</b>	<b>(4,079,161)</b>	<b>(4,079,161)</b>	<b>1,976,172</b>	<b>(2,659,860)</b>	<b>3,395,473</b>
<b>BUDGETARY FUND BALANCE, Beginning of year.....</b>	<b>-</b>	<b>12,946,147</b>	<b>12,946,147</b>	<b>12,946,147</b>	<b>12,946,147</b>	<b>-</b>	<b>-</b>
<b>BUDGETARY FUND BALANCE, End of year.....</b>	<b>\$ (5,067,505)</b>	<b>\$ 13,934,491</b>	<b>\$ 8,866,986</b>	<b>\$ 8,866,986</b>	<b>\$ 14,922,319</b>	<b>\$ (2,659,860)</b>	<b>\$ 3,395,473</b>

See notes to basic financial statements.

**OTHER POSTEMPLOYMENT BENEFIT PLAN**  
**SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS**

JUNE 30, 2009

**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)
7/1/2006	\$ -	\$ 264,991,414	\$ 264,991,414	0.00%	\$ 90,445,199	292.99%

**Schedule of Employer Contributions**

Fiscal Year Ended	Annual Required Contribution	Actual Contributions Made	Percentage Contributed
2009	\$ 21,182,308	\$ 11,974,550	56.5%
2008	\$ 20,340,389	\$ 8,697,045	42.8%

The Town implemented GASB Statement No. 45 for the fiscal year ended June 30, 2008.

See notes to required supplementary information.

**OTHER POSTEMPLOYMENT BENEFIT PLAN**  
**ACTUARIAL METHODS AND ASSUMPTIONS**

JUNE 30, 2009

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Actuarial Methods:

Valuation date.....	July 1, 2006
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Amortization payments increasing at 3.75%
Remaining amortization period.....	30 years as of July 1, 2008, closed
Actuarial Assumptions:	
Investment rate of return.....	4.5%, pay-as-you-go scenario
Projected salary increases.....	3.8%
Medical/drug cost trend rate.....	11% decreasing to 6% in year 2040

Plan Membership:

Current retirees, beneficiaries, and dependents.....	1,177
Current active members.....	<u>1,184</u>
Total	<u><u>2,361</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 fiscal year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior fiscal year be carried forward and made available for spending in the current fiscal year. These carry forwards are included as part of the subsequent fiscal 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 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 fiscal year 2009 approved budget authorized approximately \$161,807,000 appropriations and other amounts to be raised. During fiscal year 2009, the Town meeting also approved supplemental appropriations totaling approximately \$1,090,000.

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 fiscal year ended June 30, 2009, is presented below:

Excess (deficiency) of revenues and other financing sources (uses) over expenditures - budgetary basis.....	\$ 1,976,172
<u>Perspective difference:</u>	
Stabilization Fund recorded in the General Fund for GAAP.....	(2,004,911)
<u>Basis of accounting differences:</u>	
Additional liabilities.....	54,862
Recognition of market value adjustment.....	168,582
Net change in recording tax refunds payable.....	(105,000)
Recognition of revenue for on-behalf payments.....	9,570,000
Recognition of expenditures for on-behalf payments.....	<u>(9,570,000)</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - GAAP basis.....	<u>\$ 89,705</u>

C. Appropriation Deficits

During fiscal year 2009, expenditures exceeded budgeted appropriations for public works. This deficit will be funded through tax levy in fiscal year 2010.

**NOTE B - OTHER POST-RETIREMENT BENEFITS**

The Town of Plymouth administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare, dental 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. As a result, the funded ratio (actuarial value of assets expressed as a percentage of the actuarial accrued liability) is 0%. 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. Since FY2008 was the Town’s initial year of implementation of GASB Statement 45, information for prior years is not available.

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.