

TOWN OF PLYMOUTH, MASSACHUSETTS

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

FISCAL YEAR ENDED JUNE 30, 2011

TOWN OF PLYMOUTH, MASSACHUSETTS

REPORT ON EXAMINATION OF BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

TABLE OF CONTENTS

Independent Auditors' Report.....	1
Management's Discussion and Analysis	3
Basic Financial Statements	12
Statement of Net Assets	13
Statement of Activities	14
Governmental funds – balance sheet.....	16
Reconciliation of the governmental funds balance sheet total fund balances to the statement of net assets	17
Governmental funds – statement of revenues, expenditures and changes in fund balances.....	18
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities.....	19
Proprietary funds – statement of net assets	20
Proprietary funds – statement of revenues, expenses and changes in fund net assets	21
Proprietary funds – statement of cash flows.....	22
Fiduciary funds – statement of fiduciary net assets.....	23
Fiduciary funds – statement of changes in fiduciary net assets	24
Notes to basic financial statements	25
Required Supplementary Information.....	56
General fund budgetary comparison schedule.....	57
Schedule of revenues, expenditures and changes in fund balance – general fund – budget and actual.....	58
Other postemployment benefits plan schedules.....	59
Other postemployment benefit plan funding progress and employer contributions.....	60
Other postemployment benefit plan actuarial methods and assumptions	61
Notes to Required Supplementary Information.....	62

Supplementary Information - Unaudited.....64

 Schedule of revenues, expenditures and changes in fund net assets – water enterprise fund – budget and actual - unaudited66

 Schedule of revenues, expenditures and changes in fund net assets – sewer enterprise fund – budget and actual - unaudited67

 Schedule of revenues, expenditures and changes in fund net assets – airport enterprise fund – budget and actual - unaudited68

 Schedule of revenues, expenditures and changes in fund net assets – solid waste enterprise fund – budget and actual - unaudited69



100 Quannapowitt Parkway
Suite 101
Wakefield, MA 01880
T. 781-914-1700
F. 781-914-1701
www.powersandsullivan.com

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, 2011 (except for the Plymouth Contributory Retirement System and the Plymouth Growth & Development Corporation which are as of and for the year ended December 31, 2010), 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 our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Plymouth, Massachusetts, as of June 30, 2011 (except for the Plymouth Contributory Retirement System and the Plymouth Growth & Development Corporation which are as of and for the year ended December 31, 2010), 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 January 23, 2012, 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 other postemployment benefit plan schedule of funding progress and employer contributions, and the other postemployment benefit plan 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.

The supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

A handwritten signature in black ink, appearing to read "Bowers & Silve LLC". The signature is written in a cursive, flowing style.

January 23, 2012

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, 2011.

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, human services, culture and recreation, community preservation, and interest. The business-type activities include the water, sewer, airport, and solid waste activities.

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

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on *near-term inflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the 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 \$195.4 million at the close of FY2011.

Governmental net assets of \$191.9 million reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, vehicles and infrastructure), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net assets \$5.8 million represents resources that are subject to external restrictions on how they may be used. The Town has \$52 million of *unrestricted net* assets without considering the recorded liability for a portion of the postemployment healthcare obligation. That liability (\$54.4 million) is long-term in nature, and will not be funded from the \$52 million of unrestricted net assets at June 30, 2011.

The governmental activities net assets increased by \$13.6 million during the current fiscal year. The increase in net assets is due to many factors. Increases included a general fund surplus of \$1.7 million, a \$2.0 million internal service fund surplus, and the recognition of \$22 million of capital grants. These increases were offset by 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 2011 the Town, based on its actuarial valuation, reported an accrual of \$54.4 million for its portion of the liability that was not paid. This represents an increase of \$17.3 million over the prior fiscal year.

Condensed financial data for fiscal years 2011 and 2010 is presented below.

	FY2011	FY2010
	Governmental	Governmental
	Activities	Activities
	<hr/>	<hr/>
Assets:		
Current assets.....	\$ 94,637,382	\$ 71,289,049
Noncurrent assets (excluding capital).....	12,511,229	13,734,268
Capital assets.....	<hr/> 247,860,766	<hr/> 209,360,294
Total assets.....	355,009,377	294,383,611
Liabilities:		
Current liabilities (excluding debt).....	14,337,418	12,337,014
Noncurrent liabilities (excluding debt).....	60,293,112	40,406,780
Current debt.....	11,177,182	19,046,517
Noncurrent debt.....	<hr/> 73,841,086	<hr/> 40,888,267
Total liabilities.....	159,648,798	112,678,578
Net Assets:		
Capital assets net of related debt.....	188,759,238	172,668,937
Restricted.....	5,768,723	3,963,604
Unrestricted.....	<hr/> 832,618	<hr/> 5,072,492
Total net assets.....	\$ 195,360,579	\$ 181,705,033

	FY2011	FY2010
	Governmental	Governmental
	Activities	Activities
	<u> </u>	<u> </u>
Program revenues:		
Charges for services.....	\$ 11,594,030	\$ 11,103,934
Operating grants and contributions.....	50,552,952	44,778,528
Capital grants and contributions.....	22,010,623	6,051,470
General Revenues:		
Real estate and personal property taxes.....	113,783,451	110,264,848
Tax liens.....	1,166,374	1,089,595
Motor vehicle and other excise taxes.....	6,287,857	6,043,140
Community preservation tax.....	1,668,970	1,613,513
Penalties and interest on taxes.....	625,663	652,854
Payments in lieu of taxes.....	63,392	45,466
Grants and contributions not restricted to specific programs.....	5,978,457	6,295,506
Unrestricted investment income.....	816,301	1,017,259
Other.....	986,665	38,308
Total revenues.....	<u>215,534,735</u>	<u>188,994,421</u>
Expenses:		
General government.....	(12,215,728)	(11,993,751)
Public safety.....	(34,237,917)	(33,282,155)
Education.....	(136,223,763)	(134,339,854)
Public works.....	(12,179,142)	(12,686,607)
Human services.....	(1,977,029)	(1,988,419)
Culture and recreation.....	(3,798,368)	(3,803,411)
Community preservation.....	(717,733)	(163,732)
Interest.....	(1,881,038)	(1,681,816)
Total expenses.....	<u>(203,230,718)</u>	<u>(199,939,745)</u>
Transfers.....	<u>1,351,529</u>	<u>941,020</u>
Change in net assets.....	<u><u>\$ 13,655,546</u></u>	<u><u>\$ (10,004,304)</u></u>

Business-type Activities

Business-type assets exceeded liabilities by \$65.1 million at June 30, 2011. Capital assets net of related debt of \$57.1 million reflect the enterprise funds investment in capital assets. The remaining balance of *unrestricted* net assets of \$7.9 million may be used to meet the enterprise funds' ongoing obligations.

There was an increase of \$1.9 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 2011 and 2010 are presented below:

	FY2011	FY2010
	Business-type	Business-type
	Activities	Activities
	<hr/>	<hr/>
Assets:		
Current assets.....	\$ 14,564,743	\$ 12,200,601
Noncurrent assets (excluding capital).....	6,248,045	6,798,561
Capital assets.....	82,206,224	83,460,567
Total assets.....	103,019,012	102,459,729
Liabilities:		
Current liabilities (excluding debt).....	1,316,415	2,010,333
Noncurrent liabilities (excluding debt).....	2,331,442	2,010,258
Current debt.....	3,312,615	3,147,740
Noncurrent debt.....	30,978,981	32,146,596
Total liabilities.....	37,939,453	39,314,927
Net Assets:		
Capital assets net of related debt.....	57,129,937	57,384,260
Unrestricted.....	7,949,622	5,760,542
Total net assets.....	\$ 65,079,559	\$ 63,144,802
Program revenues:		
Charges for services.....	\$ 13,057,461	\$ 12,340,390
Operating grants and contributions.....	41,314	51,333
Capital grants and contributions.....	1,565,360	1,199,580
General Revenues:		
Unrestricted investment income.....	100,678	72,672
Total revenues.....	14,764,813	13,663,975
Expenses:		
Water.....	(3,477,145)	(3,510,681)
Sewer.....	(4,287,266)	(4,839,460)
Airport.....	(2,718,130)	(2,567,044)
Solid waste.....	(995,986)	(1,049,457)
Total expenses.....	(11,478,527)	(11,966,642)
Transfers.....	(1,351,529)	(941,020)
Change in net assets.....	\$ 1,934,757	\$ 756,313

The water enterprise net assets decreased by (\$422,000) during the current fiscal year. The change is attributable to depreciation expense exceeding debt principal payments by \$532,000 and an increase of \$200,000 related to the GASB Statement #45 liability. These decreases were offset by an increase in revenues due to the fact that the Town reached an agreement with various commercial entities and collected on old outstanding receivables.

The sewer enterprise net assets increased by \$1.6 million during the current fiscal year. The change is attributable to a \$961,000 surplus of user charges revenues compared to the budget and the recognition of \$948,000 million of capital grants. The increase in revenues is due to a 3% increase in sewer rates coupled with the fact that the Town reached an agreement with various commercial entities and collected on old outstanding receivables.

The airport enterprise net assets increased by \$103,000 during the current fiscal year. The change is attributable to the recognition of \$601,000 of capital grants, which were offset by \$500,000 of depreciation expense and an increase of \$85,000 in the liability related to GASB Statement #45.

The solid waste enterprise net assets increased by \$696,000 during the current fiscal year. The net change is attributable to a budgetary surplus of \$474,000 and debt principal payments exceeding depreciation expense by \$243,000.

Financial Analysis of the Government's Funds

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

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

Fiscal year 2011 was the Town's initial year of implementation of GASB #54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The implementation of this standard has changed the fund balance components into nonspendable, restricted, committed, assigned and unassigned. Additionally, under the new standard, the Town's stabilization fund is reported within the general fund as unassigned.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$57 million an increase of \$24.6 million in comparison with the prior year. This increase is primarily attributable to \$1.7 million general fund surplus, revenues exceeding expenditures for the Community Preservation Funds, and the issuance of \$38 million of long-term bonds for various capital projects. These increases were offset by the fact that the capital projects fund had incurred expenditures covered by the bond proceeds in previous fiscal years and the timing of grant expenditures in relation to the receipt of grant funds.

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$21.3 million, while total fund balance was \$26.2 million. The current year general fund net change in fund balance was \$4.9 million. This is mainly due to a budgetary surplus of \$1.5 million and the recognition of \$3.3 million of bond premiums. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 13% of total general fund expenditures, while total fund balance represents 15% of that same amount.

The stabilization fund is classified as part of the general fund unassigned in the governmental funds financial statements. 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 \$4.1 million, this is an increase of \$728 thousand from the prior year. This is mainly due to the timing of the expenditure of CPA funds on the various ongoing projects. Fiscal year 2011 saw a decrease in Intergovernmental revenues due to the Town receiving a \$2.2 million state grant in fiscal year 2011 from the National Oceanic and Atmospheric Administration for the purchase of the Joslin Center and Center Hill Preserve properties. No such grant was received in fiscal year 2011.

The *excluded debt projects fund* is used to account for all financial resources appropriated to fund projects that are funded using debt exclusions. At the end of the current fiscal year, the fund had an accumulated fund balance of \$16.1 million; this is an increase of \$19.8 million. This increase is due to the net effect of current year capital project activity offset by \$38 million in long-term bond proceeds.

The *internal service governmental fund* provides for health insurance coverage for the Towns employees. Results of operations show an increase in net assets of \$2.0 million in FY2011 and the fund has accumulated net assets of \$7.3 million. The increase is due to an increase in both employee and employer contributions and the receipt of \$1.0 million of early retiree reinsurance grant proceeds.

Pension Trust Fund Financial Highlights

	<u>2011 Pension Trust Activities</u>	<u>2010 Pension Trust Activities</u>
Additions:		
Total contributions.....	\$ 10,871,335	\$ 10,727,912
Net investment income (loss).....	11,837,927	18,234,415
Other additions.....	796,321	514,144
Total additions.....	<u>23,505,583</u>	<u>29,476,471</u>
Deductions:		
Retirement benefits and refunds.....	12,834,328	11,791,499
Other.....	820,689	815,120
Total deductions.....	<u>13,655,017</u>	<u>12,606,619</u>
Change in net assets.....	9,850,566	16,869,852
Net assets at beginning of year.....	<u>101,444,230</u>	<u>84,574,378</u>
Net assets at end of year.....	<u>\$ 111,294,796</u>	<u>\$ 101,444,230</u>

The Plymouth Contributory Retirement System (the System) was established to provide retirement benefits to Town employees, the Town Housing Authority employees, and their beneficiaries. The System is presented using the accrual basis of accounting and is reported as a pension trust fund in the fiduciary fund financial statements. At the end of the year, the system had accumulated net assets of \$111,294,796. This was an increase of \$9.9 million from the previous year. The increase was the result of favorable market conditions which yielded a recovery in investment value of \$11.9 million, offset by current year deductions exceeding additions by approximately \$2.0 million.

General Fund Budgetary Highlights

The \$907,000 decrease between the original budget and the final amended budget was mainly due to appropriation reductions of \$459,000 for employee benefits and \$540,000 for debt service.

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, 2011, totaled \$80.7 million, of which approximately \$43.8 million relates to various school construction projects, \$14.7 million relates to buildings, \$11.1 million relates to other school projects, \$2.5 million relates to departmental equipment, leaving a balance of approximately \$8.6 million for various projects.

The enterprise funds have \$25.8 million in sewer debt, \$7 million in water debt, and \$1.5 million in solid waste debt that are mostly supported by the rates, but require general fund subsidies.

The Town's major capital projects relate to school renovation projects, the senior center project, technology upgrades, and infrastructure management. These projects will continue through fiscal year 2012.

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

Requests for Information

This financial report is designed to provide a general overview of the Town of Plymouth's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Municipal Finance, Town Hall, 11 Lincoln Street, Plymouth, Massachusetts 02360.

Basic Financial Statements

STATEMENT OF NET ASSETS

JUNE 30, 2011

	<i>Primary Government</i>			<i>Component Unit</i>
	Governmental Activities	Business-type Activities	Total	Plymouth Growth & Development
ASSETS				
CURRENT:				
Cash and short-term investments.....	\$ 67,260,897	\$ 9,806,552	\$ 77,067,449	\$ 599,321
Investments.....	7,703,270	1,133,574	8,836,844	-
Receivables, net of allowance for uncollectibles:				
Real estate and personal property taxes.....	3,122,386	-	3,122,386	-
Tax liens.....	675,446	-	675,446	-
Motor vehicle excise taxes.....	906,901	-	906,901	-
User fees.....	-	3,101,066	3,101,066	-
Departmental and other.....	269,722	-	269,722	-
Special assessments.....	518,329	-	518,329	-
Intergovernmental.....	12,420,321	523,551	12,943,872	-
Parking tickets.....	-	-	-	95,540
Tax foreclosures.....	1,407,659	-	1,407,659	-
Working capital deposit.....	155,500	-	155,500	-
Other assets.....	-	-	-	5,497
Prepaid expenses.....	-	-	-	8,589
Deferred loss on refunding.....	196,951	-	196,951	-
NONCURRENT:				
Receivables, net of allowance for uncollectibles:				
Intergovernmental.....	11,707,967	6,248,045	17,956,012	-
Deferred loss on refunding.....	803,262	-	803,262	-
Capital assets, net of accumulated depreciation:				
Nondepreciable.....	142,378,767	21,287,053	163,665,820	-
Depreciable.....	105,481,999	60,919,171	166,401,170	72,446
TOTAL ASSETS.....	355,009,377	103,019,012	458,028,389	781,393
LIABILITIES				
CURRENT:				
Warrants payable.....	10,219,052	336,302	10,555,354	19,058
Health claims payable.....	2,254,923	-	2,254,923	-
Tax refunds payable.....	418,000	-	418,000	-
Accrued interest.....	498,383	215,825	714,208	-
Payroll withholdings.....	6,306	-	6,306	2,776
Abandoned property.....	58,822	-	58,822	-
Other liabilities.....	166,744	684,875	851,619	-
Landfill closure.....	-	50,000	50,000	-
Compensated absences.....	127,300	5,300	132,600	8,612
Unamortized premium on bonds payable.....	587,888	24,113	612,001	-
Notes payable.....	4,280,000	-	4,280,000	-
Bonds payable.....	6,897,182	3,312,615	10,209,797	-
NONCURRENT:				
Landfill closure.....	-	850,000	850,000	-
Compensated absences.....	1,145,700	47,700	1,193,400	-
Postemployment benefits.....	54,368,476	1,253,991	55,622,467	-
Unamortized premium on bonds payable.....	4,778,936	179,751	4,958,687	-
Bonds payable.....	73,841,086	30,978,981	104,820,067	-
TOTAL LIABILITIES.....	159,648,798	37,939,453	197,588,251	30,446
NET ASSETS				
Invested in capital assets, net of related debt.....	188,759,238	57,129,937	245,889,175	72,446
Restricted for:				
Permanent funds:				
Expendable.....	902,353	-	902,353	-
Nonexpendable.....	1,250,254	-	1,250,254	-
Grants and Gifts.....	3,616,116	-	3,616,116	-
Unrestricted.....	832,618	7,949,622	8,782,240	678,501
TOTAL NET ASSETS.....	\$ 195,360,579	\$ 65,079,559	\$ 260,440,138	\$ 750,947

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 12,215,728	\$ 2,940,016	\$ 1,276,134	\$ -	\$ (7,999,578)
Public safety.....	34,237,917	1,560,930	1,071,385	236,249	(31,369,353)
Education.....	136,223,763	4,091,398	44,741,772	20,383,788	(67,006,805)
Public works.....	12,179,142	1,688,081	2,557,951	946,102	(6,987,008)
Human services.....	1,977,029	58,951	14,484	-	(1,903,594)
Culture and recreation.....	3,798,368	1,254,654	198,355	-	(2,345,359)
Community preservation.....	717,733	-	-	444,484	(273,249)
Interest.....	1,881,038	-	692,871	-	(1,188,167)
Total Governmental Activities.....	203,230,718	11,594,030	50,552,952	22,010,623	(119,073,113)
<i>Business-Type Activities:</i>					
Water.....	3,477,145	4,017,822	-	16,058	556,735
Sewer.....	4,287,266	4,812,564	-	948,146	1,473,444
Airport.....	2,718,130	2,309,141	-	601,156	192,167
Solid waste.....	995,986	1,917,934	41,314	-	963,262
Total Business-Type Activities.....	11,478,527	13,057,461	41,314	1,565,360	3,185,608
Total Primary Government.....	\$ 214,709,245	\$ 24,651,491	\$ 50,594,266	\$ 23,575,983	\$ (115,887,505)
Component Unit:					
Plymouth Growth & Development.....	\$ 563,207	\$ 681,480	\$ -	\$ -	\$ 118,273

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES (Continued)

FISCAL YEAR ENDED JUNE 30, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Plymouth Growth & Development
Changes in net assets:				
Net (expense) revenue from previous page.....	\$ (119,073,113)	\$ 3,185,608	\$ (115,887,505)	\$ 118,273
<i>General revenues:</i>				
Real estate and personal property taxes, net of tax refunds payable.....	113,783,451	-	113,783,451	-
Tax liens.....	1,166,374	-	1,166,374	-
Motor vehicle and other excise taxes.....	6,287,857	-	6,287,857	-
Community preservation tax.....	1,668,970	-	1,668,970	-
Penalties and interest on taxes.....	625,663	-	625,663	-
Payments in lieu of taxes.....	63,392	-	63,392	-
Grants and contributions not restricted to specific programs.....	5,978,457	-	5,978,457	-
Unrestricted investment income.....	816,301	100,678	916,979	-
Miscellaneous.....	986,665	-	986,665	1,481
<i>Transfers, net</i>	<u>1,351,529</u>	<u>(1,351,529)</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers.....	<u>132,728,659</u>	<u>(1,250,851)</u>	<u>131,477,808</u>	<u>1,481</u>
Change in net assets.....	13,655,546	1,934,757	15,590,303	119,754
<i>Net Assets:</i>				
Beginning of year.....	<u>181,705,033</u>	<u>63,144,802</u>	<u>244,849,835</u>	<u>631,193</u>
End of year.....	\$ <u>195,360,579</u>	\$ <u>65,079,559</u>	\$ <u>260,440,138</u>	\$ <u>750,947</u>

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2011

ASSETS	General	Community Preservation	Excluded Debt Projects	Nonmajor Governmental Funds	Total Governmental Funds
Cash and short-term investments.....	\$ 23,719,601	\$ 3,331,940	\$ 16,418,267	\$ 15,774,522	\$ 59,244,330
Investments.....	4,279,607	837,691	-	1,315,552	6,432,850
Receivables, net of uncollectibles:					
Real estate and personal property taxes.....	3,122,386	-	-	-	3,122,386
Tax liens.....	671,097	4,349	-	-	675,446
Motor vehicle excise taxes.....	906,901	-	-	-	906,901
Departmental and other.....	-	36,388	-	-	36,388
Special assessments.....	-	-	-	518,329	518,329
Intergovernmental.....	16,310,493	442,947	4,409,763	2,965,085	24,128,288
Tax foreclosures.....	1,407,659	-	-	-	1,407,659
TOTAL ASSETS.....	\$ 50,417,744	\$ 4,653,315	\$ 20,828,030	\$ 20,573,488	\$ 96,472,577
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Warrants payable.....	\$ 2,840,102	\$ 57,599	\$ 4,722,023	\$ 2,598,340	\$ 10,218,064
Payroll withholdings.....	6,306	-	-	-	6,306
Abandoned property.....	58,822	-	-	-	58,822
Deferred revenues.....	20,857,263	483,728	-	3,153,060	24,494,051
Notes payable.....	-	-	-	4,280,000	4,280,000
TOTAL LIABILITIES.....	24,180,493	541,327	4,722,023	10,031,400	39,475,243
FUND BALANCES:					
Nonspendable.....	-	-	-	1,250,254	1,250,254
Restricted.....	3,187,589	4,111,988	16,106,007	11,963,432	35,369,016
Committed.....	457,253	-	-	-	457,253
Assigned.....	1,257,566	-	-	-	1,257,566
Unassigned.....	21,334,843	-	-	(2,671,598)	18,663,245
TOTAL FUND BALANCES (DEFICITS).....	26,237,251	4,111,988	16,106,007	10,542,088	56,997,334
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 50,417,744	\$ 4,653,315	\$ 20,828,030	\$ 20,573,488	\$ 96,472,577

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, 2011

Total governmental fund balances.....		\$ 56,997,334
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		247,860,766
Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.....		24,494,051
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.....		7,253,166
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(498,383)
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.....	(80,738,268)	
Unamortized premium on bonds payable.....	(5,366,824)	
Postemployment benefits.....	(54,368,476)	
Compensated absences.....	<u>(1,273,000)</u>	
Net effect of reporting long-term liabilities.....		(141,746,568)
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>1,000,213</u>
Net assets of governmental activities.....		<u>\$ 195,360,579</u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2011

	General	Community Preservation	Excluded Debt Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 114,102,178	\$ -	\$ -	\$ -	\$ 114,102,178
Tax liens.....	968,279	-	-	-	968,279
Motor vehicle and other excise taxes.....	6,249,681	-	-	-	6,249,681
Community preservation tax.....	-	1,668,970	-	-	1,668,970
Penalties and interest on taxes.....	625,663	-	-	-	625,663
Payments in lieu of taxes.....	63,392	-	-	-	63,392
Intergovernmental - federal.....	566,756	-	-	12,246,953	12,813,709
Intergovernmental - state.....	41,353,645	439,750	17,348,355	3,619,418	62,761,168
Departmental and other.....	5,095,479	-	-	6,444,873	11,540,352
Contributions.....	-	-	-	643,200	643,200
Investment income.....	521,227	152,032	-	21,585	694,844
Miscellaneous.....	459,757	-	-	404,000	863,757
TOTAL REVENUES.....	170,006,057	2,260,752	17,348,355	23,380,029	212,995,193
EXPENDITURES:					
Current:					
General government.....	7,486,236	-	-	1,295,442	8,781,678
Public safety.....	17,663,692	-	-	2,161,395	19,825,087
Education.....	75,986,250	-	33,040,830	16,441,930	125,469,010
Public works.....	6,306,830	-	-	4,479,151	10,785,981
Human services.....	1,426,743	-	2,435,033	175,800	4,037,576
Culture and recreation.....	2,041,283	-	-	545,631	2,586,914
Community preservation.....	-	1,531,916	-	-	1,531,916
Pension benefits.....	19,940,290	-	-	-	19,940,290
Employee benefits.....	30,650,386	-	-	-	30,650,386
State and county charges.....	878,838	-	-	-	878,838
Debt service:					
Principal.....	6,326,816	-	-	-	6,326,816
Interest.....	1,955,444	-	-	-	1,955,444
TOTAL EXPENDITURES.....	170,662,808	1,531,916	35,475,863	25,099,349	232,769,936
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(656,751)	728,836	(18,127,508)	(1,719,320)	(19,774,743)
OTHER FINANCING SOURCES (USES):					
Proceeds from bonds and notes.....	-	-	38,000,000	1,650,000	39,650,000
Premium from issuance of bonds and notes.....	3,341,013	-	-	-	3,341,013
Transfers in.....	2,580,189	-	-	4,687	2,584,876
Transfers out.....	(394,687)	-	(71,976)	(766,684)	(1,233,347)
TOTAL OTHER FINANCING SOURCES (USES).....	5,526,515	-	37,928,024	888,003	44,342,542
NET CHANGE IN FUND BALANCES.....	4,869,764	728,836	19,800,516	(831,317)	24,567,799
FUND BALANCES (DEFICITS) AT BEGINNING OF YEAR (AS REVISED).....	21,367,487	3,383,152	(3,694,509)	11,373,405	32,429,535
FUND BALANCES (DEFICITS) AT END OF YEAR.....	\$ 26,237,251	\$ 4,111,988	\$ 16,106,007	\$ 10,542,088	\$ 56,997,334

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, 2011

Net change in fund balances - total governmental funds.....		\$ 24,567,799
<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.....	45,169,977	
Depreciation expense.....	<u>(6,669,505)</u>	
Net effect of reporting capital assets.....		38,500,472
<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>		
		2,418,085
<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.....	(39,650,000)	
Premium from issuance of bonds.....	(3,187,589)	
Debt service principal payments.....	<u>6,326,816</u>	
Net effect of reporting long-term debt.....		(36,510,773)
<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.....	9,000	
Net change in accrued interest on long-term debt.....	(256,081)	
Net change in postemployment benefit accrual.....	(17,294,730)	
Amortization of deferred charge on refunding.....	<u>177,063</u>	
Net effect of recording long-term liabilities and amortizing deferred losses.....		(17,364,748)
<p>Internal service funds are used by management to account for health insurance and workers' compensation activities.</p>		
The net activity of internal service funds is reported with Governmental Activities.....		<u>2,044,711</u>
Change in net assets of governmental activities.....		<u>\$ 13,655,546</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET ASSETS

JUNE 30, 2011

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Airport	Solid Waste	Total	
ASSETS						
CURRENT:						
Cash and short-term investments.....	\$ 4,897,943	\$ 2,660,250	\$ 692,659	\$ 1,555,700	\$ 9,806,552	\$ 8,016,567
Investments.....	634,194	499,380	-	-	1,133,574	1,270,420
Receivables, net of allowance for uncollectibles:						
User fees.....	1,531,549	1,569,517	-	-	3,101,066	-
Departmental and other.....	-	-	-	-	-	233,334
Intergovernmental.....	8,309	485,677	-	29,565	523,551	-
Working capital deposit.....	-	-	-	-	-	155,500
Total current assets.....	<u>7,071,995</u>	<u>5,214,824</u>	<u>692,659</u>	<u>1,585,265</u>	<u>14,564,743</u>	<u>9,675,821</u>
NONCURRENT:						
Receivables, net of allowance for uncollectibles:						
Intergovernmental.....	109,927	5,846,351	-	291,767	6,248,045	-
Capital assets, net of accumulated depreciation....	38,609,550	33,333,955	9,835,417	427,302	82,206,224	-
Total noncurrent assets.....	<u>38,719,477</u>	<u>39,180,306</u>	<u>9,835,417</u>	<u>719,069</u>	<u>88,454,269</u>	<u>-</u>
TOTAL ASSETS.....	<u>45,791,472</u>	<u>44,395,130</u>	<u>10,528,076</u>	<u>2,304,334</u>	<u>103,019,012</u>	<u>9,675,821</u>
LIABILITIES						
CURRENT:						
Warrants payable.....	96,175	181,579	9,679	48,869	336,302	988
Health claims payable.....	-	-	-	-	-	2,254,923
Accrued interest.....	27,981	186,769	-	1,075	215,825	-
Other liabilities.....	-	-	-	684,875	684,875	166,744
Landfill closure.....	-	-	-	50,000	50,000	-
Compensated absences.....	2,200	1,600	1,200	300	5,300	-
Unamortized premium on bonds payable.....	24,113	-	-	-	24,113	-
Bonds payable.....	686,000	2,342,032	-	284,583	3,312,615	-
Total current liabilities.....	<u>836,469</u>	<u>2,711,980</u>	<u>10,879</u>	<u>1,069,702</u>	<u>4,629,030</u>	<u>2,422,655</u>
NONCURRENT:						
Landfill closure.....	-	-	-	850,000	850,000	-
Compensated absences.....	19,800	14,400	10,800	2,700	47,700	-
Postemployment benefits.....	630,169	201,704	265,972	156,146	1,253,991	-
Unamortized premium on bonds payable.....	179,751	-	-	-	179,751	-
Bonds payable.....	6,286,500	23,438,614	-	1,253,867	30,978,981	-
Total noncurrent liabilities.....	<u>7,116,220</u>	<u>23,654,718</u>	<u>276,772</u>	<u>2,262,713</u>	<u>33,310,423</u>	<u>-</u>
TOTAL LIABILITIES.....	<u>7,952,689</u>	<u>26,366,698</u>	<u>287,651</u>	<u>3,332,415</u>	<u>37,939,453</u>	<u>2,422,655</u>
NET ASSETS						
Invested in capital assets, net of related debt.....	33,175,631	13,885,337	9,835,417	233,552	57,129,937	-
Unrestricted.....	4,663,152	4,143,095	405,008	(1,261,633)	7,949,622	7,253,166
TOTAL NET ASSETS (DEFICITS).....	<u>\$ 37,838,783</u>	<u>\$ 18,028,432</u>	<u>\$ 10,240,425</u>	<u>\$ (1,028,081)</u>	<u>\$ 65,079,559</u>	<u>\$ 7,253,166</u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2011

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Airport	Solid Waste	Total	
OPERATING REVENUES:						
Employee contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,794,236
Employer contributions	-	-	-	-	-	26,898,490
Charges for services	4,014,066	4,812,564	40,875	1,911,539	10,779,044	-
Fuel sales.....	-	-	2,000,518	-	2,000,518	-
Rentals.....	-	-	267,748	-	267,748	-
Other.....	3,756	-	-	6,395	10,151	18,231
TOTAL OPERATING REVENUES	4,017,822	4,812,564	2,309,141	1,917,934	13,057,461	32,710,957
OPERATING EXPENSES:						
Cost of services and administration	2,218,285	2,096,962	2,199,906	861,129	7,376,282	-
Depreciation.....	1,145,183	895,615	518,224	52,143	2,611,165	-
Employee benefits	-	-	-	-	-	31,810,005
TOTAL OPERATING EXPENSES	3,363,468	2,992,577	2,718,130	913,272	9,987,447	31,810,005
OPERATING INCOME (LOSS).....	654,354	1,819,987	(408,989)	1,004,662	3,070,014	900,952
NONOPERATING REVENUES (EXPENSES):						
Investment income/(loss).....	88,484	(533)	2,456	10,271	100,678	121,457
Interest expense.....	(113,677)	(1,294,689)	-	(82,714)	(1,491,080)	-
Intergovernmental - federal.....	-	-	585,422	-	585,422	1,022,302
Intergovernmental - state.....	16,058	948,146	15,734	41,314	1,021,252	-
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(9,135)	(347,076)	603,612	(31,129)	216,272	1,143,759
INCOME (LOSS) BEFORE OPERATING TRANSFERS.....	645,219	1,472,911	194,623	973,533	3,286,286	2,044,711
TRANSFERS:						
Transfers in.....	-	390,000	-	-	390,000	-
Transfers out.....	(1,066,848)	(304,918)	(92,000)	(277,763)	(1,741,529)	-
TOTAL TRANSFERS.....	(1,066,848)	85,082	(92,000)	(277,763)	(1,351,529)	-
CHANGE IN NET ASSETS.....	(421,629)	1,557,993	102,623	695,770	1,934,757	2,044,711
NET ASSETS (DEFICITS) AT BEGINNING OF YEAR.....	38,260,412	16,470,439	10,137,802	(1,723,851)	63,144,802	5,208,455
NET ASSETS (DEFICITS) AT END OF YEAR.....	\$ 37,838,783	\$ 18,028,432	\$ 10,240,425	\$ (1,028,081)	\$ 65,079,559	\$ 7,253,166

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

FISCAL YEAR ENDED JUNE 30, 2011

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Airport	Solid Waste	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers and users.....	\$ 4,262,941	\$ 5,444,134	\$ 2,309,141	\$ 1,917,934	\$ 13,934,150	\$ -
Receipts from interfund services provided.....	-	-	-	-	-	33,718,472
Payments to vendors.....	(1,252,529)	(1,813,415)	(1,816,603)	(815,530)	(5,698,077)	-
Payments to employees.....	(920,120)	(271,917)	(373,625)	(274,033)	(1,839,695)	-
Payments for interfund services used.....	-	-	-	-	-	(31,855,447)
NET CASH FROM OPERATING ACTIVITIES.....	2,090,292	3,358,802	118,913	828,371	6,396,378	1,863,025
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers in.....	-	390,000	-	-	390,000	-
Transfers out.....	(1,066,848)	(304,918)	(92,000)	(277,763)	(1,741,529)	-
Intergovernmental grants.....	-	-	-	-	-	1,022,302
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....	(1,066,848)	85,082	(92,000)	(277,763)	(1,351,529)	1,022,302
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds from the issuance of bonds and notes.....	1,345,000	800,000	-	-	2,145,000	-
Acquisition and construction of capital assets.....	(915,177)	(52,654)	(571,527)	-	(1,539,358)	-
Principal payments on bonds and notes.....	(605,378)	(1,783,224)	-	(268,632)	(2,657,234)	-
Interest expense.....	(115,064)	(357,313)	-	(41,893)	(514,270)	-
Intergovernmental grants.....	-	-	684,237	-	684,237	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(290,619)	(1,393,191)	112,710	(310,525)	(1,881,625)	-
CASH FLOWS FROM INVESTING ACTIVITIES:						
Net proceeds from purchase/sales of investments.....	263,447	(499,380)	-	-	(235,933)	(863,718)
Investment income/(loss).....	88,484	(533)	2,456	10,271	100,678	121,457
NET CASH FROM INVESTING ACTIVITIES.....	351,931	(499,913)	2,456	10,271	(135,255)	(742,261)
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	1,084,756	1,550,780	142,079	250,354	3,027,969	2,143,066
CASH AND CASH EQUIVALENTS						
AT BEGINNING OF YEAR.....	3,813,187	1,109,470	550,580	1,305,346	6,778,583	5,873,501
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 4,897,943	\$ 2,660,250	\$ 692,659	\$ 1,555,700	\$ 9,806,552	\$ 8,016,567
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH						
FROM OPERATING ACTIVITIES:						
Operating income (loss).....	\$ 654,354	\$ 1,819,987	\$ (408,989)	\$ 1,004,662	\$ 3,070,014	\$ 900,952
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Depreciation.....	1,145,183	895,615	518,224	52,143	2,611,165	-
Changes in assets and liabilities:						
User fees.....	245,119	631,570	-	-	876,689	-
Departmental and other.....	-	-	-	-	-	1,007,515
Working capital deposit.....	-	-	-	-	-	(11,800)
Warrants payable.....	(151,822)	(52,532)	(73,929)	(37,290)	(315,573)	(243,758)
Postemployment benefits.....	200,458	64,162	84,607	49,670	398,897	-
Accrued liabilities.....	-	-	-	(50,000)	(50,000)	-
Health claims payable.....	-	-	-	-	-	43,372
Other liabilities.....	-	-	-	(190,814)	(190,814)	166,744
Accrued compensated absences.....	(3,000)	-	(1,000)	-	(4,000)	-
Total adjustments.....	1,435,938	1,538,815	527,902	(176,291)	3,326,364	962,073
NET CASH FROM OPERATING ACTIVITIES.....	\$ 2,090,292	\$ 3,358,802	\$ 118,913	\$ 828,371	\$ 6,396,378	\$ 1,863,025

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2011

	Pension Trust Fund (as of December 31, 2010)	Private Purpose Trust Funds	Agency Funds
ASSETS			
CURRENT:			
Cash and short-term investments.....	\$ 1,941,151	\$ 2,610,047	\$ 1,081,024
Investments.....	109,406,349	-	-
Prepaid expenses.....	9,331		
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	216,183	-	-
TOTAL ASSETS.....	111,573,014	2,610,047	1,081,024
LIABILITIES			
Warrants payable.....	278,218	-	28,386
Liabilities due depositors.....	-	-	1,052,638
TOTAL LIABILITIES.....	278,218	-	1,081,024
NET ASSETS			
Held in trust for pension benefits and other purposes.....	\$ <u>111,294,796</u>	\$ <u>2,610,047</u>	\$ <u>-</u>

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FISCAL YEAR ENDED JUNE 30, 2011

	Pension Trust Fund (as of December 31, 2010)	Private Purpose Trust Funds
ADDITIONS:		
Contributions:		
Employer.....	\$ 7,587,863	\$ -
Employee.....	3,270,712	-
Private donations.....	-	111,785
Interest not refunded.....	10,567	-
Miscellaneous.....	2,193	-
Total contributions.....	10,871,335	111,785
Net investment income (loss):		
Net change in fair value of investments.....	10,066,578	-
Interest.....	2,633,507	103,566
Total investment income (loss).....	12,700,085	103,566
Less: investment expense.....	(862,158)	-
Net investment income (loss).....	11,837,927	103,566
Intergovernmental.....	322,608	-
Transfers from other systems.....	473,713	-
TOTAL ADDITIONS.....	23,505,583	215,351
DEDUCTIONS:		
Administration.....	427,944	-
Transfers to other systems.....	392,745	-
Retirement benefits and refunds.....	12,834,328	-
Educational scholarships.....	-	40,000
TOTAL DEDUCTIONS.....	13,655,017	40,000
CHANGE IN NET ASSETS.....	9,850,566	175,351
NET ASSETS AT BEGINNING OF YEAR.....	101,444,230	2,434,696
NET ASSETS AT END OF YEAR.....	\$ 111,294,796	\$ 2,610,047

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 supporting the economic viability of Plymouth. In addition, the Corporation can carry out any other public purpose designated by the Board of Selectmen. The seven member Board of Directors 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 *excluded debt projects fund* is used to account for all financial resources appropriated to fund projects that are funded using debt exclusions. A community can assess taxes in excess of its levy limit or levy ceiling for the payment of certain capital projects and for the payment of specified debt service costs with voter approval.

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

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

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

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

Proprietary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

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

The following major proprietary funds are reported:

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

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

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

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

Additionally, the following proprietary fund type is reported:

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

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

The following fiduciary fund types are reported:

The *pension trust fund* is used to account for the activities of the 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 1st 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 1st, November 1st, February 1st and May 1st 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, construction in progress, land improvements, buildings, machinery and equipment, vehicles, and infrastructure (e.g., roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government-wide financial statements, and the proprietary fund financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation. Except for the capital assets of the governmental activities column in the government-wide financial statements, construction period interest is capitalized on constructed capital assets.

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

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

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

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

Governmental Fund Financial Statements

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

“Gifts and grants” represents restrictions placed on assets from outside parties.

Fund Financial Statements (Fund Balances)

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

The governmental fund balance classifications are as follows:

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

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

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority.

“Assigned” fund balance includes amounts that are constrained by the Town’s intent to be used for specific purposes, but are neither restricted nor committed.

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

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

Individual fund deficits exist within the Capital Project Funds. These deficits will be funded through bond proceeds and available fund balance in future fiscal years.

The Solid Waste Enterprise Fund has an accumulated deficit of (\$1,028,081). This deficit will be funded in future fiscal years through user charges and general fund subsidies.

Q. Fund Balance Revisions

The beginning fund balance of the Community Preservation and the Non-Major Funds have been adjusted to reflect Community Preservation project activity that was included within the Non-Major Fund in Fiscal Year 2010. The prior year ending balances of the Community Preservation and the Non-Major Fund of \$3,587,452 and \$11,169,105 have been revised to \$3,383,152 and \$11,373,405 respectfully.

R. Total Column

Government-Wide Financial Statements

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

Fund Financial Statements

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

NOTE 2 – PROPERTY TAX LIMITATION

The amount that can be raised by the Town tax levy is governed by Proposition 2 ½. The gross tax levy for fiscal year 2011 was \$115,137,308, which was \$6,587,421 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 \$75,143,315 and the bank balance totaled \$82,631,083. Of the bank balance, \$19,327,179 was covered by Federal Depository Insurance, \$7,026,324 was covered by Share Insurance Fund, \$1,213,015 was covered by Securities Investor Protection Corporation Insurance, and \$55,064,565 was uninsured and uncollateralized.

At December 31, 2010, the carrying amount of deposits for the System totaled \$751,405 and the bank balance totaled \$811,263 all of which was covered by Federal Depository Insurance.

At December 31, 2010, the carrying amount of deposits for the Component Unit totaled \$599,321 and the bank balance totaled \$609,917. Of the bank balance, \$428,353 was covered by Federal Depository Insurance, and \$181,564 was uninsured and uncollateralized.

Investments

As of June 30, 2011, 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.....	\$ 3,091,204	\$ -	\$ 1,940,907	\$ 1,150,297	\$ -
Corporate Bonds.....	3,373,523	3,059,472	-	-	314,051
Total Debt Securities.....	6,464,727	\$ 3,059,472	\$ 1,940,907	\$ 1,150,297	\$ 314,051
<u>Other Investments</u>					
Equity Securities.....	2,372,117				
Money Market Mutual Funds.....	5,556,435				
MMDT.....	58,770				
Total Investments.....	\$ 14,452,049				

As of December 31, 2010, 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.....	\$ 19,609,732	\$ -	\$ 5,693,280	\$ 13,916,452	\$ -
<u>Other Investments</u>					
Equity Securities.....	19,865,499				
Equity Mutual Funds.....	34,558,418				
PRIT Pooled Real Estate.....	5,210,192				
Money Market Mutual Funds.....	1,189,746				
Alternative Investment Mutual Funds....	9,870,663				
International Equity Funds.....	20,291,845				
Total Investments.....	\$ 110,596,095				

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 \$3,091,204 in U.S. Government Agencies, \$2,372,117 in Equity Securities and \$3,373,523 in Corporate Bonds, the Town has a custodial credit risk exposure of \$8,836,844 because the related securities are uninsured, unregistered and held by the counterparty. The Town will minimize custodial credit risk with the use of reporting services such as Veribanc, Moody's Investors Services, Fitch Rating, and Standard and Poors.

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

Interest Rate Risk

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

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

Credit Risk

At June 30, 2011 the Town's investments in U.S. Government Agencies are rated AAA and Corporate Bonds are rated AAA, AA2, and A3E. 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, 2011, the System does not have any rated investments.

Concentration of Credit Risk

The Town will minimize concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of institution will be minimized. The target upper level range of funds concentrated in any institution is 10%.

Investments Exceeding 5% of the Town's Investments

Goldman Sachs Group Corporate Bonds.....	6%
Sun Trust Bank Corporate Bonds.....	6%
Wells Fargo and Company Corporate Bonds.....	11%

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, 2011.

NOTE 4 – RECEIVABLES

At June 30, 2011, 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...	\$ 3,197,386	\$ (75,000)	\$ 3,122,386
Tax liens.....	675,446	-	675,446
Motor vehicle and other excise taxes.....	1,905,901	(999,000)	906,901
Departmental and other.....	269,722	-	269,722
Special assessments.....	518,329	-	518,329
Intergovernmental.....	24,128,288	-	24,128,288
Total.....	<u>\$ 30,695,072</u>	<u>\$ (1,074,000)</u>	<u>\$ 29,621,072</u>

At June 30, 2011, receivables for the enterprise funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Water user fees.....	\$ 1,531,549	-	\$ 1,531,549
Sewer user fees.....	1,569,517	-	1,569,517
Water intergovernmental.....	118,236	-	118,236
Sewer intergovernmental.....	6,332,028	-	6,332,028
Solid Waste Intergovernmental.....	321,332	-	321,332
Total.....	<u>\$ 9,872,662</u>	<u>\$ -</u>	<u>\$ 9,872,662</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....	\$ 1,876,611	\$ -	\$ -	\$ 1,876,611
Tax liens.....	671,097	4,349	-	675,446
Motor vehicle and other excise taxes.....	906,901	-	-	906,901
Departmental and other.....	-	36,388	-	36,388
Special assessments.....	-	-	518,329	518,329
Intergovernmental.....	15,994,995	442,991	2,634,731	19,072,717
Tax foreclosures.....	1,407,659	-	-	1,407,659
	<u>\$ 20,857,263</u>	<u>\$ 483,728</u>	<u>\$ 3,153,060</u>	<u>\$ 24,494,051</u>

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 93,787,916	\$ 450,000	\$ -	\$ 94,237,916
Construction in progress.....	11,758,168	41,104,675	(4,721,992)	48,140,851
Total capital assets not being depreciated.....	105,546,084	41,554,675	(4,721,992)	142,378,767
<u>Capital assets being depreciated:</u>				
Land improvements.....	7,460,495	730,650	-	8,191,145
Buildings.....	104,961,581	2,073,997	-	107,035,578
Machinery and equipment.....	36,363,157	999,657	-	37,362,814
Infrastructure.....	67,529,085	4,220,002	-	71,749,087
Vehicles.....	4,703,306	312,988	(144,636)	4,871,658
Total capital assets being depreciated.....	221,017,624	8,337,294	(144,636)	229,210,282
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(3,008,163)	(372,856)	-	(3,381,019)
Buildings.....	(44,770,561)	(2,669,992)	-	(47,440,553)
Machinery and equipment.....	(28,828,733)	(1,571,582)	-	(30,400,315)
Infrastructure.....	(38,062,689)	(1,459,763)	-	(39,522,452)
Vehicles.....	(2,533,268)	(595,312)	144,636	(2,983,944)
Total accumulated depreciation.....	(117,203,414)	(6,669,505)	144,636	(123,728,283)
Total capital assets being depreciated, net.....	103,814,210	1,667,789	-	105,481,999
Total governmental activities capital assets, net.....	\$ 209,360,294	\$ 43,222,464	\$ (4,721,992)	\$ 247,860,766

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.....	3,476,349	854,616	(2,677,104)	1,653,861
Total capital assets not being depreciated.....	23,109,541	854,616	(2,677,104)	21,287,053
<u>Capital assets being depreciated:</u>				
Land improvements.....	7,486,901	-	-	7,486,901
Buildings.....	32,127,102	250,000	-	32,377,102
Machinery and equipment.....	2,447,291	-	-	2,447,291
Vehicles.....	688,741	31,279	-	720,020
Infrastructure.....	70,936,355	2,898,031	-	73,834,386
Total capital assets being depreciated.....	113,686,390	3,179,310	-	116,865,700
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(2,845,781)	(346,632)	-	(3,192,413)
Buildings.....	(5,738,433)	(714,038)	-	(6,452,471)
Machinery and equipment.....	(965,284)	(169,079)	-	(1,134,363)
Vehicles.....	(408,781)	(93,261)	-	(502,042)
Infrastructure.....	(43,377,085)	(1,288,155)	-	(44,665,240)
Total accumulated depreciation.....	(53,335,364)	(2,611,165)	-	(55,946,529)
Total capital assets being depreciated, net.....	60,351,026	568,145	-	60,919,171
Total business-type activities capital assets, net.....	\$ 83,460,567	\$ 1,422,761	\$ (2,677,104)	\$ 82,206,224

Component Unit

<u>Capital assets being depreciated:</u>				
Machinery and equipment.....	\$ 246,607	\$ 2,385	\$ -	\$ 248,992
Vehicles.....	7,982	-	-	7,982
Total capital assets being depreciated.....	254,589	2,385	-	256,974
<u>Less accumulated depreciation for:</u>				
Machinery and equipment.....	(138,502)	(42,036)	-	(180,538)
Vehicles.....	(3,192)	(798)	-	(3,990)
Total accumulated depreciation.....	(141,694)	(42,834)	-	(184,528)
Total capital assets being depreciated, net.....	\$ 112,895	\$ (40,449)	\$ -	\$ 72,446

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

Governmental Activities:

General government.....	\$ 420,106
Public safety.....	1,184,251
Education.....	2,644,491
Public works.....	2,197,219
Human services.....	11,762
Culture and recreation.....	<u>185,150</u>

Total depreciation expense - governmental activities..... \$ 6,669,505

Business-Type Activities:

Water.....	\$ 1,145,183
Sewer.....	895,615
Airport.....	518,224
Solid Waste.....	<u>52,143</u>

Total depreciation expense - business-type activities..... \$ 2,611,165

Component Unit Activities:

Plymouth Growth and Development Corporation.....	<u>\$ 42,834</u>
--	------------------

NOTE 6 – INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended June 30, 2011, are summarized as follows:

Operating Transfers Out:	Operating Transfers In:			
	General Fund	Nonmajor Governmental Funds	Sewer Enterprise Fund	Total
General Fund.....	\$ -	\$ 4,687	\$ 390,000	\$ 394,687
Excluded Debt Projects.....	71,976	-	-	71,976
Nonmajor Governmental Funds....	766,684	-	-	766,684
Water Enterprise Fund.....	1,066,848	-	-	1,066,848
Sewer Enterprise Fund.....	304,918	-	-	304,918
Airport Enterprise Fund.....	92,000	-	-	92,000
Solid Waste Enterprise Fund.....	<u>277,763</u>	<u>-</u>	<u>-</u>	<u>277,763</u>
	<u>\$ 2,580,189</u>	<u>\$ 4,687</u>	<u>\$ 390,000</u>	<u>\$ 2,974,876</u>

Transfers represent amounts voted to fund the fiscal year 2011 operating budget, reimbursements of indirect costs of the enterprise funds and general fund debt service and capital subsidies to the sewer enterprise fund.

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, 2011, are as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2010	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2011
Governmental Funds							
BAN	School Construction.....	1.50	05/12/11	\$ 8,000,000	\$ -	\$ (8,000,000)	\$ -
BAN	School HVAC.....	1.50	05/12/11	1,500,000	-	(1,500,000)	-
BAN	Road Improvements.....	1.50	05/12/11	750,000	-	(750,000)	-
BAN	Senior Center.....	1.50	05/12/11	1,500,000	-	(1,500,000)	-
GAN	Playground Rehabilitation.....	1.80	11/10/10	500,000	-	(500,000)	-
GAN	Land Acquisition.....	1.15	12/17/10	269,700	-	(269,700)	-
BAN	West School HVAC 1.....	1.50	05/11/12	-	1,500,000	-	1,500,000
BAN	West School HVAC 2.....	1.50	05/11/12	-	780,000	-	780,000
BAN	School Roof.....	1.50	05/11/12	-	2,000,000	-	2,000,000
Total Governmental.....				\$ 12,519,700	\$ 4,280,000	\$ (12,519,700)	\$ 4,280,000

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, 2011, and the debt service requirements are as follows:

Bonds and Notes Payable Schedule – Governmental Funds

Project	Interest Rate (%)	Outstanding at June 30, 2010	Issued	Redeemed	Outstanding at June 30, 2011
Town Hall Remodeling.....	4.15 - 5.75	\$ 270,000	\$ -	\$ 90,000	\$ 180,000
Fire Station Bonds.....	4.15 - 5.75	255,000	-	85,000	170,000
Municipal Purpose.....	4.75 - 6.00	1,805,000	-	1,805,000	-
Senior Center.....	3.25 - 3.88	40,000	-	20,000	20,000
Beach Restoration.....	3.25 - 3.88	20,000	-	10,000	10,000
Computer Hardware.....	3.50	550,000	-	550,000	-
Title V - MWPAT.....	4.00	77,704	-	11,101	66,603
Title V - MWPAT.....	4.94	137,625	-	9,525	128,100
Title V - MWPAT.....	0.00	99,904	-	9,190	90,714
Title V - MWPAT.....	0.00	170,000	-	10,000	160,000
Title V - MWPAT.....	0.00	180,000	-	10,000	170,000
Title V - MWPAT.....	0.00	200,000	-	-	200,000
Title V - MWPAT (T5-97-1029-F).....	0.00	200,000	-	-	200,000
FY09 Municipal Purpose Bonds.....	2.00 - 5.00	25,228,751	-	3,147,500	22,081,251
FY09 Municipal Purpose Bonds (Refunding).....	3.00 - 5.00	18,181,100	-	569,500	17,611,600
North High School.....	2.00 - 5.00	-	28,000,000	-	28,000,000
Senior Center.....	2.00 - 5.00	-	10,000,000	-	10,000,000
Dam.....	2.00 - 5.00	-	200,000	-	200,000
Road Improvements.....	2.00 - 5.00	-	750,000	-	750,000
Emergency Operations Center.....	2.00 - 5.00	-	500,000	-	500,000
Title V - MWPAT.....	0.00	-	200,000	-	200,000
Total Governmental Bonds Payable.....		\$ 47,415,084	\$ 39,650,000	\$ 6,326,816	\$ 80,738,268

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

Fiscal Year	Principal	Interest	Total
2012.....	\$ 6,897,182	\$ 3,360,352	\$ 10,257,534
2013.....	6,363,288	3,218,922	9,582,210
2014.....	5,570,366	3,029,477	8,599,843
2015.....	5,048,600	2,842,661	7,891,261
2016.....	5,026,074	2,613,538	7,639,612
2017.....	4,785,074	2,386,145	7,171,219
2018.....	4,643,974	2,163,447	6,807,421
2019.....	4,493,973	1,946,612	6,440,585
2020.....	4,479,870	1,735,816	6,215,686
2021.....	3,264,867	1,557,622	4,822,489
2022.....	2,680,000	1,425,450	4,105,450
2023.....	2,630,000	1,304,600	3,934,600
2024.....	2,535,000	1,175,725	3,710,725
2025.....	2,525,000	1,060,725	3,585,725
2026.....	2,520,000	937,100	3,457,100
2027.....	2,465,000	822,750	3,287,750
2028.....	2,315,000	710,600	3,025,600
2029.....	1,705,000	603,147	2,308,147
2030.....	1,585,000	520,300	2,105,300
2031.....	1,585,000	442,550	2,027,550
2032.....	1,540,000	364,800	1,904,800
2033.....	1,520,000	288,800	1,808,800
2034.....	1,520,000	218,500	1,738,500
2035.....	1,520,000	146,300	1,666,300
2036.....	1,520,000	74,100	1,594,100
Total.....	\$ <u>80,738,268</u>	\$ <u>34,950,039</u>	\$ <u>115,688,307</u>

The Town is scheduled to be subsidized by the Massachusetts Water Pollution Abatement Trust (MWPAT) on a periodic basis for interest costs for \$79,012. Thus, net MWPAT loan repayments, including interest, are scheduled to be \$815,542. 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 2011 interest subsidy totaled approximately \$15,700.

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 2011, approximately \$1,637,000 of such assistance was received. Approximately \$15,388,000 will be received in future fiscal years. Of this amount, approximately \$2,654,000 represents reimbursement of long-term interest costs, and approximately \$12,734,000 represents reimbursement of approved construction costs. Accordingly, a \$12,734,000 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.

The MSBA offers a construction grant program which pays the Town the State's share of approved school construction costs and therefore eliminates the need for the Town to fund the State's share through long-term debt. The Plymouth North High School project is being funded by this grant program. The total grant received by

the Town is expected to be \$46,255,000. During the fiscal year, the Town received \$12,938,592 and recorded a receivable for \$4,409,763 for amounts that were received subsequent to year end.

During fiscal year 2011, the Town issued \$28,000,000 and \$10,000,000 of excluded debt for Plymouth North High School and Senior Center construction, respectively. A debt exclusion is an action taken by a community through a referendum vote to raise funds necessary to pay debt service costs for a particular project from the property tax levy, but outside the limits under Proposition 2½. By approving a debt exclusion, a community calculates its annual levy limit under proposition 2½, and then adds the excluded debt service cost. The amount is added to the levy limit for the life of the debt only and may increase the levy above the ceiling.

Bonds and Notes Payable Schedule – Enterprise Funds

Project	Interest Rate (%)	Outstanding at June 30, 2010	Issued	Redeemed	Outstanding at June 30, 2011
Sewer Projects - MWPAT (Refunding).....	4.64	\$ 779,300	\$ -	\$ 213,500	\$ 565,800
Sewer Projects.....	4.75 - 6.00	95,000	-	95,000	-
Wastewater Treatment - MWPAT (Refunding)....	5.10	17,643,178	-	1,373,178	16,270,000
Wastewater Treatment - MWPAT (Refunding)....	5.02	7,029,846	-	448,055	6,581,791
Wastewater Treatment - MWPAT.....	3.00 - 5.00	258,681	-	13,970	244,711
Russel Mills Dam Project.....	0.00	116,073	-	8,929	107,144
FY09 Sewer Bonds.....	2.00 - 5.00	755,000	-	65,000	690,000
FY09 Sewer Bonds (Refunding).....	3.00 - 5.00	541,200	-	20,000	521,200
Sewer Interceptor.....	2.00 - 5.00	-	800,000	-	800,000
Sub-Total sewer bonds payable.....		<u>27,218,278</u>	<u>800,000</u>	<u>2,237,632</u>	<u>25,780,646</u>
Water Well and Tank Bonds.....	4.75 - 6.00	20,000	-	20,000	-
Water Well and Tank Bonds.....	3.25 - 3.88	190,000	-	95,000	95,000
Water.....	3.25 - 3.88	70,000	-	35,000	35,000
North Plymouth Water Well (Refunding).....	5.09	438,165	-	33,165	405,000
FY09 Water Bonds.....	2.00 - 5.00	5,420,000	-	430,000	4,990,000
FY09 Water Bonds (Refunding).....	3.00 - 5.00	102,500	-	-	102,500
Replace Lout Pond Well.....	2.00 - 5.00	-	800,000	-	800,000
Wannos Pond Well & Pump Station.....	2.00 - 5.00	-	545,000	-	545,000
Sub-Total water bonds payable.....		<u>6,240,665</u>	<u>1,345,000</u>	<u>613,165</u>	<u>6,972,500</u>
State Revolving Fund - Landfill 1 (Refunding).....	5.31	987,392	-	77,392	910,000
State Revolving Fund - Landfill 2 (Refunding).....	5.32	206,551	-	16,551	190,000
FY09 Solid Waste Bonds.....	2.00 - 5.00	566,250	-	177,500	388,750
FY09 Solid Waste Bonds (Refunding).....	3.00 - 5.00	75,200	-	25,500	49,700
Sub-Total solid waste bonds payable.....		<u>1,835,393</u>	<u>-</u>	<u>296,943</u>	<u>1,538,450</u>
Total Enterprise Bonds Payable.....		<u>\$ 35,294,336</u>	<u>\$ 2,145,000</u>	<u>\$ 3,147,740</u>	<u>\$ 34,291,596</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>
2012.....	\$ 2,342,032	\$ 1,260,351	\$ 3,602,383
2013.....	2,296,818	1,228,310	3,525,128
2014.....	2,468,737	964,798	3,433,535
2015.....	2,262,643	881,695	3,144,338
2016.....	2,329,014	758,541	3,087,555
2017.....	2,283,792	633,095	2,916,887
2018.....	2,352,163	506,285	2,858,448
2019.....	2,429,037	372,372	2,801,409
2020.....	2,492,814	215,794	2,708,608
2021.....	2,536,185	147,066	2,683,251
2022.....	724,556	80,651	805,207
2023.....	738,335	44,825	783,160
2024.....	94,520	24,226	118,746
2025.....	70,000	20,413	90,413
2026.....	70,000	16,913	86,913
2027.....	70,000	13,713	83,713
2028.....	70,000	10,513	80,513
2029.....	70,000	7,275	77,275
2030.....	40,000	4,000	44,000
2031.....	40,000	2,000	42,000
Total.....	\$ <u>25,780,646</u>	\$ <u>7,192,836</u>	\$ <u>32,973,482</u>

WATER ENTERPRISE FUND, DEBT SERVICE PAYMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012.....\$	686,000 \$	284,343 \$	970,343
2013.....	546,000	263,446	809,446
2014.....	535,500	246,150	781,650
2015.....	540,000	229,221	769,221
2016.....	535,000	204,178	739,178
2017.....	505,000	181,810	686,810
2018.....	360,000	159,880	519,880
2019.....	330,000	143,500	473,500
2020.....	330,000	128,769	458,769
2021.....	315,000	115,544	430,544
2022.....	270,000	102,969	372,969
2023.....	270,000	91,519	361,519
2024.....	270,000	78,018	348,018
2025.....	270,000	66,572	336,572
2026.....	270,000	53,068	323,068
2027.....	270,000	41,618	311,618
2028.....	270,000	30,168	300,168
2029.....	270,000	18,462	288,462
2030.....	65,000	6,500	71,500
2031.....	65,000	3,250	68,250
Total.....\$	<u>6,972,500 \$</u>	<u>2,448,985 \$</u>	<u>9,421,485</u>

SOLID WASTE ENTERPRISE FUND, DEBT SERVICE PAYMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
Total.....\$	<u>1,538,450 \$</u>	<u>332,387 \$</u>	<u>1,870,837</u>

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 \$6,771,599 and interest costs for \$5,103,698. Thus, net MWPAT loan repayments, including interest, are scheduled to be \$16,598,181. The principal subsidies are guaranteed and therefore intergovernmental receivables and corresponding revenues were reported in the year the debt was issued. The remaining principal subsidies to be recognized at year end were \$6,332,031, \$118,236, and \$321,332 which are 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 2011 principal subsidies recognized in the Sewer Enterprise, Water Enterprise, and Solid Waste Enterprise Funds are \$454,408, \$7,787 and \$28,311, respectively. The fiscal year 2011 interest subsidies are \$948,146, \$16,058 and \$41,314, 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, 2011, the Town had the following authorized and unissued debt:

Purpose	Amount
Beach Improvements.....	\$ 2,727,000
Title V.....	400,000
West Elementary HVAC.....	1,025,000
Replace Lout Pond Well.....	100,000
School and Senior Center.....	161,000,000
Wannos Pond Well & Pump.....	800,000
Water Street Culvert Design.....	250,000
Seawall Repair.....	300,000
Crematory - 3rd Retort.....	200,000
Replace 2001 Fire Engine One.....	520,000
PSMS Repair Brick Veneer.....	3,436,000
Indian Brook HVAC.....	6,500,000
PCIS School Roof.....	<u>3,650,000</u>
 Total.....	 <u>\$ 180,908,000</u>

Changes in Long-Term Liabilities

During the fiscal year ended June 30, 2011, the following changes occurred in long-term liabilities:

	Balance June 30, 2010	Additions	Reductions	Balance June 30, 2011	Current Portion
Governmental Activities:					
Long-Term Bonds.....	\$ 47,415,084	\$ 39,650,000	\$ (6,326,816)	\$ 80,738,268	\$ 6,897,182
Compensated Absences.....	1,282,000	119,200	(128,200)	1,273,000	127,300
Postemployment Benefits.....	37,073,746	32,421,162	(15,126,432)	54,368,476	-
Unamortized Premiums on Bonds.....	2,566,172	3,187,589	(386,937)	5,366,824	587,888
Total governmental activity long-term liabilities.....	<u>\$ 88,337,002</u>	<u>\$ 75,377,951</u>	<u>\$ (21,968,385)</u>	<u>\$ 141,746,568</u>	<u>\$ 7,612,370</u>
Business-Type Activities:					
Compensated Absences.....	\$ 57,000	\$ 1,700	\$ (5,700)	\$ 53,000	\$ 5,300
Landfill Closure.....	950,000	-	(50,000)	900,000	50,000
Postemployment Benefits.....	855,094	747,783	(348,886)	1,253,991	-
Long-Term Bonds.....	35,294,336	2,145,000	(3,147,740)	34,291,596	3,312,615
Unamortized Premiums on Bonds.....	229,581	-	(25,717)	203,864	24,113
Total business-type activity long-term liabilities.....	<u>\$ 37,386,011</u>	<u>\$ 2,894,483</u>	<u>\$ (3,578,043)</u>	<u>\$ 36,702,451</u>	<u>\$ 3,392,028</u>

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

NOTE 9 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The Town has adopted GASB 54 as part of its fiscal year 2011 reporting. Implementation of GASB 54 is required for fiscal years beginning after June 15, 2010. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the Town's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

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

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

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision making authority.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.

- Unassigned: fund balance of the general fund that is not constrained for any particular purpose

As of June 30, 2011, the governmental fund balances consisted of the following:

	GOVERNMENTAL FUNDS				
	General	Community Preservation	Excluded Debt Projects	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES					
Nonspendable:					
Permanent Fund Principal.....	\$ -	\$ -	\$ -	1,250,254	\$ 1,250,254
Restricted for:					
Community preservation.....	-	4,111,988	-	-	4,111,988
Excluded Debt Projects.....	3,187,589	-	16,106,007	-	19,293,596
Town Capital Projects.....	-	-	-	679,163	679,163
Infrastructure Management Projects.....	-	-	-	304,547	304,547
Town Federal Grants.....	-	-	-	685,091	685,091
Town State Grants.....	-	-	-	838,010	838,010
Town Revolving.....	-	-	-	2,373,173	2,373,173
Town Gifts.....	-	-	-	776,109	776,109
Town Title V.....	-	-	-	567,349	567,349
Town Other.....	-	-	-	985,096	985,096
School Lunch.....	-	-	-	223,242	223,242
School Federal Grants.....	-	-	-	856,211	856,211
School State Grants.....	-	-	-	1,125,113	1,125,113
School Revolving.....	-	-	-	1,647,975	1,647,975
Permanent Funds.....	-	-	-	902,353	902,353
Committed to:					
General government.....	353,296	-	-	-	353,296
Public safety.....	37,550	-	-	-	37,550
Education.....	39,327	-	-	-	39,327
Public works.....	27,080	-	-	-	27,080
Assigned to:					
General government.....	28,371	-	-	-	28,371
Public safety.....	7,722	-	-	-	7,722
Education.....	1,117,280	-	-	-	1,117,280
Public works.....	46,321	-	-	-	46,321
Human services.....	10,062	-	-	-	10,062
Culture and recreation.....	1,565	-	-	-	1,565
Employee benefits.....	46,245	-	-	-	46,245
Unassigned.....	21,334,843	-	-	(2,671,598)	18,663,245
TOTAL FUND BALANCES.....	\$ 26,237,251	\$ 4,111,988	\$ 16,106,007	\$ 10,542,088	\$ 56,997,334

NOTE 10 - STABILIZATION FUND

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

At fiscal year end, the balance of the General Stabilization Fund is \$8,423,115 and is reported as unassigned fund balance within the General Fund. The fund earned \$401 thousand of investment income during fiscal year 2011. The stabilization fund balance can be used for general and/or capital purposes upon Town Meeting approval.

NOTE 11 – RISK FINANCING

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

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

(a) Health and Dental Insurance

The estimate of Incurred But Not Reported (IBNR) claims is based on 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, 2011, the amount of the liability for health and dental insurance claims totaled \$2,254,923. This liability is the best estimate based on available information. Changes in the reported liability since July 1, 2009, 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 2010.....	\$ 2,167,338	\$	30,471,391	\$	(30,427,478)	\$	2,211,251
Fiscal Year 2011.....	2,211,251		31,853,677		(31,810,005)		2,254,923

NOTE 12 - PENSION PLAN

Plan Description - The Town contributes to the System, a cost-sharing multiple-employer defined benefit pension plan administered by the Plymouth Contributory Retirement Board. Substantially all employees are members of the System, except for public school teachers and certain administrators who are members of the Massachusetts Teachers Retirement System, to which the Town does not contribute. Pension benefits and administrative expenses paid by the Teachers Retirement Board are the legal responsibility of the Commonwealth. The amount

of these on-behalf payments totaled approximately \$12,474,000 for the fiscal year ended June 30, 2011, and, accordingly, are reported in the general fund as intergovernmental revenues and pension expenditures.

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

At December 31, 2010, the System's membership consists of the following:

Active members.....	928
Inactive members.....	244
Disabled members.....	78
Retirees and beneficiaries currently receiving benefits.....	<u>507</u>
Total.....	<u><u>1757</u></u>

Funding Policy - Plan members are required to contribute to the System at rates ranging from 5% to 11% of annual covered compensation. The Town is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll. Administrative expenses are funded through investment earnings. The current and two preceding 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, 2011, 2010, and 2009 were \$7,466,061, \$7,200,103, and \$6,644,019, respectively, which equaled its required contribution for each fiscal year. At June 30, 2011, the Town did not have a net pension obligation. The required contribution was determined as part of the January 1, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included an 8.00% 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, 2011, was 28 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)
01/01/10	\$ 111,589	\$ 205,870	\$ 94,281	54.2%	\$ 35,665	264.4%
01/01/08	120,332	175,119	54,787	68.7%	34,232	160.0%
01/01/07	112,790	165,044	52,254	68.3%	32,532	160.6%
01/01/05	94,010	154,190	60,180	61.0%	30,061	200.2%
01/01/03	77,285	124,140	46,855	62.3%	28,957	161.8%

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

NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description - The Town of Plymouth administers a single-employer defined benefit healthcare plan (“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.

As of the January 1, 2009 actuarial, the Plan’s membership consisted of the following:

Current retirees, beneficiaries, and dependents.....	1,225
Current active members.....	<u>1,429</u>
 Total.....	 <u><u>2,654</u></u>

Funding Policy—Contribution requirements are also negotiated between the Town and union representatives. Retired plan members and beneficiaries currently receiving benefits are required to contribute 20% of the cost of benefits provided and the Town contributes the remaining premium costs. Administrative costs of the Plan are assumed to be included in the fully insured premium rates. For fiscal year 2011, contributions to the plan, totaled approximately \$15,475,000.

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

Annual Required Contribution.....	\$ 33,097,546
Interest on existing net OPEB obligation.....	1,611,976
Adjustments to annual required contribution.....	<u>(1,540,577)</u>
 Annual OPEB cost (expense).....	 33,168,945
 Contributions made.....	 <u>(15,475,318)</u>
 Increase/Decrease in net OPEB obligation.....	 17,693,627
 Net OPEB obligation - beginning of year.....	 <u>37,928,840</u>
 Net OPEB obligation - end of year.....	 <u><u>\$ 55,622,467</u></u>

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	\$ 33,168,945	46.8%	\$ 55,622,467
6/30/2010	31,224,623	45.4%	37,928,840
6/30/2009	21,182,308	56.5%	20,851,102

Funded Status and Funding Progress—The funded status of the Plan as of the most recent actuarial valuation date, January 1, 2009, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
1/1/2009	\$ -	\$ 379,285,000	\$ 379,285,000	0.00%	\$ 90,445,000	419.35%
7/1/2006	-	264,991,414	264,991,414	0.00%	82,014,000	323.11%

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

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

In the January 1, 2009, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.25 percent investment rate of return, which is based on the expected yield on the assets of the Town, calculated based on the funded level of the plan at the valuation date, and an annual medical/drug cost trend rate of 11 percent initially, reduced by .5% increments to an ultimate rate of 6 percent in year 2040. The UAAL is being amortized over a 30-year period, using the level percentage of projected payroll method, on a closed basis, with amortization payments increasing at 3.5% per year. The remaining amortization period at January 1, 2011 is 27 years.

NOTE 14 - LANDFILL CLOSURE COSTS

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

The Manomet and Cedarville landfill sites have been closed and capped since 1998 and 1995, respectively. Annual monitoring is performed at these sites and the estimated future liability for post-closure care is \$900,000.

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

NOTE 15 - COMMITMENTS

The Town has entered into a long-term contract with South Eastern Massachusetts Partnership (SEMASS) to provide solid waste disposal services. Total charges are based on a formula of tipping and transport fees with costs rising gradually through fiscal year 2014 when the contract expires. Actual expenditures under this contract for fiscal year 2011 were approximately \$352,000.

The Town has entered into, or is planning to enter into, contracts totaling approximately \$181,000,000 for construction of a school and senior center, sewage treatment and disposal plant, for various beach improvements, for school roof and HVAC repairs, for various school technology upgrades, for infrastructure management, and for the Title V septic replacement loans.

NOTE 16 - CONTINGENCIES

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2011, 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.

There are several union contracts that have not been settled as of June 30, 2011. Settlement of these contracts may require additional funding in future years. Although the amount of liability, if any, at June 30, 2011, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2011.

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, 2011, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2011.

NOTE 17 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During fiscal year 2011, the following GASB pronouncements were implemented:

- GASB Statement #54, *Fund Balance Reporting and Governmental Fund Type Definitions*, was implemented in fiscal year 2011. Financial statements changes include new fund balance designations and the reclassification of stabilization funds from the special revenue fund to the general fund. Notes to the basic financial statements were changed to provide additional disclosure on the new designations of fund balance.
- GASB Statement #59, *Financial Instruments Omnibus*, was implemented in fiscal year 2011 and did not impact the financial statements.

Future Implementation of GASB Pronouncements:

- The GASB issued Statement #60, *Accounting and Financial Reporting for Service Concession Arrangements*, which is required to be implemented in fiscal year 2013. This Statement addresses service concession arrangements, which are a type of public-private or public-public partnership. Management is evaluating whether this pronouncement will require additional disclosure or impact the basic financial statements.
- The GASB issued Statement #61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No.34*, which is required to be implemented in fiscal year 2013. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. Management does not believe that this pronouncement will require additional disclosure or impact the basic financial statements.
- The GASB issued Statement #62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which is required to be implemented in fiscal year 2013. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that does not conflict with or contradict GASB pronouncements. Management does not believe that this pronouncement will require additional disclosure or impact the basic financial statements.
- The GASB issued Statement #63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which is required to be implemented in fiscal year 2013. Management's current assessment is that this pronouncement will have a significant impact on the basic financial statements.
- The GASB issued Statement #64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions, an amendment of GASB Statement No. 53*, which is required to be implemented in fiscal year 2012. Management does not believe that this pronouncement will require additional disclosure or impact the basic financial statements.

Required Supplementary Information

General Fund Budgetary Comparison Schedule

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

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

FISCAL YEAR ENDED JUNE 30, 2011

	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			
REVENUES:							
Real estate and personal property taxes, net of tax refunds.....	\$ -	\$ 114,725,929	\$ 114,725,929	\$ 114,162,981	\$ 114,075,178	\$ -	\$ (87,803)
Tax liens.....	-	-	-	-	968,279	-	968,279
Motor vehicle and other excise taxes.....	-	5,631,587	5,631,587	5,631,587	6,249,681	-	618,094
Penalties and interest on taxes.....	-	620,000	620,000	620,000	625,663	-	5,663
Payments in lieu of taxes.....	-	35,000	35,000	35,000	63,392	-	28,392
Intergovernmental - federal.....	-	270,000	270,000	270,000	566,756	-	296,756
Intergovernmental - state.....	-	28,635,412	28,635,412	28,635,412	29,089,223	-	453,811
Departmental and other.....	-	4,458,000	4,458,000	4,458,000	5,095,479	-	637,479
Investment income.....	-	300,000	300,000	300,000	184,218	-	(115,782)
Miscellaneous.....	-	-	-	-	459,757	-	459,757
TOTAL REVENUES.....	-	154,675,928	154,675,928	154,112,980	157,377,626	-	3,264,646
EXPENDITURES:							
Current:							
General government.....	946,512	7,885,094	8,831,606	8,831,606	7,486,236	381,667	963,703
Public safety.....	62,888	18,338,374	18,401,262	18,484,462	17,663,692	45,272	775,498
Education.....	354,494	77,034,069	77,388,563	77,388,563	75,986,250	1,156,607	245,706
Public works.....	457,105	5,527,086	5,984,191	5,984,191	6,306,830	73,401	(396,040)
Human services.....	40,098	1,468,339	1,508,437	1,508,437	1,426,743	10,062	71,632
Culture and recreation.....	126,568	1,994,487	2,121,055	2,129,755	2,041,283	1,565	86,907
Pension benefits.....	-	7,470,477	7,470,477	7,470,477	7,466,061	-	4,416
Employee benefits.....	67,500	31,291,881	31,359,381	30,900,381	30,650,386	46,245	203,750
State and county charges.....	-	924,149	924,149	924,149	878,838	-	45,311
Debt service:							
Principal.....	-	6,326,816	6,326,816	6,326,816	6,326,816	-	-
Interest.....	-	2,555,885	2,555,885	2,015,913	1,939,744	-	76,169
TOTAL EXPENDITURES.....	2,055,165	160,816,657	162,871,822	161,964,750	158,172,879	1,714,819	2,077,052
EXCESS (DEFICIENCY) OF							
REVENUES OVER EXPENDITURES.....	(2,055,165)	(6,140,729)	(8,195,894)	(7,851,770)	(795,253)	(1,714,819)	5,341,698
OTHER FINANCING SOURCES (USES):							
Premium from issuance of bonds.....	-	-	-	-	3,341,013	-	3,341,013
Transfers in.....	-	2,943,308	2,943,308	2,580,189	2,580,189	-	-
Transfers out.....	-	(394,687)	(394,687)	(394,687)	(394,687)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	-	2,548,621	2,548,621	2,185,502	5,526,515	-	3,341,013
NET CHANGE IN FUND BALANCE.....	(2,055,165)	(3,592,108)	(5,647,273)	(5,666,268)	4,731,262	(1,714,819)	8,682,711
BUDGETARY FUND BALANCE, Beginning of year.....	-	13,502,432	13,502,432	13,502,432	13,502,432	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ (2,055,165)	\$ 9,910,324	\$ 7,855,159	\$ 7,836,164	\$ 18,233,694	\$ (1,714,819)	\$ 8,682,711

See notes to required supplementary information.

Other Postemployment Benefits Plan Schedules

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

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

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

OTHER POSTEMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

JUNE 30, 2011

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
1/1/2009	\$ -	\$ 379,285,000	\$ 379,285,000	0.00%	\$ 90,445,000	419.35%
7/1/2006	-	264,991,414	264,991,414	0.00%	82,014,000	323.11%

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution	Actual Contributions Made	Total Unfunded Liability	Business-Type Activities Unfunded Liability	Governmental Activities Unfunded Liability	Total Percentage Contributed
2011	\$ 33,097,546	\$ 15,475,318	\$ 17,622,228	\$ 398,897	\$ 17,223,331	46.8%
2010	31,157,981	14,146,885	17,011,096	290,110	16,720,986	45.4%
2009	21,182,308	11,974,550	9,207,758	139,404	9,068,354	56.5%
2008	20,340,389	8,697,045	11,643,344	278,276	11,365,068	42.8%
Total	\$ <u>105,778,224</u>	\$ <u>50,293,798</u>	\$ <u>55,484,426</u>	\$ <u>1,106,687</u>	\$ <u>54,377,739</u>	

See notes to required supplementary information.

OTHER POSTEMPLOYMENT BENEFIT PLAN
ACTUARIAL METHODS AND ASSUMPTIONS

JUNE 30, 2011

Actuarial Methods:

Valuation date.....	January 1, 2009
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Amortization payments increasing at 3.50%
Remaining amortization period.....	27 years as of January 1, 2011, closed
Actuarial Assumptions:	
Investment rate of return.....	4.25%, 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.....	1,225
Current active members.....	<u>1,429</u>
Total.....	<u>2,654</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 claims and judgments may exceed the level of spending authorized by two-thirds majority vote of the Town meeting.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original fiscal year 2011 approved budget authorized approximately \$163,266,000 appropriations and other amounts to be raised. During fiscal year 2011, the Town meeting also approved appropriation reductions totaling approximately \$907,000.

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, 2011, is presented below:

Excess (deficiency) of revenues and other financing sources (uses) over expenditures - budgetary basis.....	\$ 4,731,262
<u>Perspective difference:</u>	
Stabilization Fund recorded in the General Fund for GAAP.....	401,356
<u>Basis of accounting differences:</u>	
Recognition of market value adjustment.....	(64,347)
Net change in recording tax refunds payable.....	27,000
Additional receivables.....	(225,507)
Recognition of revenue for on-behalf payments.....	12,474,229
Recognition of expenditures for on-behalf payments.....	<u>(12,474,229)</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - GAAP basis.....	<u>\$ 4,869,764</u>

C. Appropriation Deficits

During fiscal year 2011, expenditures exceeded budgeted appropriations for public works. This deficit will be funded through tax levy in fiscal year 2012.

NOTE B - OTHER POSTEMPLOYMENT BENEFITS

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

The Town currently finances its other postemployment benefits (OPEB) on a pay-as-you-go basis. 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.

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

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

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

Supplementary Information - Unaudited

Enterprise Funds Budgetary Comparison Schedules

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

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

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

FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Amounts Carried forward From Prior Year	Original Budget	Final Budget			
REVENUES:						
Utility user charges.....	\$ -	\$ 3,707,970	\$ 3,707,970	\$ 3,957,201	\$ -	\$ 249,231
Other departmental revenue.....	-	205,000	205,000	305,741	-	100,741
Investment income.....	-	47,000	47,000	102,880	-	55,880
TOTAL REVENUES.....	-	3,959,970	3,959,970	4,365,822	-	405,852
EXPENDITURES:						
Salary and wages.....	-	965,901	965,901	920,120	-	45,781
Other expenses.....	5,040	1,093,951	1,098,991	889,983	-	209,008
Debt service.....	-	833,270	833,270	833,267	-	3
Capital non-borrowing.....	338,076	350,000	688,076	197,785	297,182	193,109
TOTAL EXPENDITURES.....	343,116	3,243,122	3,586,238	2,841,155	297,182	447,901
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(343,116)	716,848	373,732	1,524,667	(297,182)	853,753
OTHER FINANCING SOURCES (USES):						
Premium from issuance of bonds.....	-	-	-	112,824	-	112,824
Transfers out - general fund for indirect costs.....	-	(1,066,848)	(1,066,848)	(1,066,848)	-	-
Transfers out - enterprise capital/grant fund.....	-	(4,432)	(4,432)	(4,432)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	-	(1,071,280)	(1,071,280)	(958,456)	-	112,824
NET CHANGE IN FUND BALANCE.....	(343,116)	(354,432)	(697,548)	566,211	(297,182)	966,577
BUDGETARY FUND BALANCE, Beginning of year.....	-	3,240,397	3,240,397	3,240,397	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ (343,116)	\$ 2,885,965	\$ 2,542,849	\$ 3,806,608	\$ (297,182)	\$ 966,577

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

FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Amounts Carried forward From Prior Year	Original Budget	Final Budget			
REVENUES:						
Utility user charges.....	\$ -	\$ 3,758,526	\$ 3,758,526	\$ 4,719,246	\$ -	\$ 960,720
Other departmental revenue.....	-	480,000	480,000	724,892	-	244,892
Investment income.....	-	-	-	533	-	533
TOTAL REVENUES.....	-	4,238,526	4,238,526	5,444,671	-	1,206,145
EXPENDITURES:						
Salary and wages.....	-	311,930	311,930	271,917	-	40,013
Other expenses.....	25,000	2,108,943	2,133,943	1,674,500	-	459,443
Debt service.....	-	2,207,653	2,207,653	2,207,653	-	-
Capital non-borrowing.....	24,677	-	24,677	1,935	1,989	20,753
TOTAL EXPENDITURES.....	49,677	4,628,526	4,678,203	4,156,005	1,989	520,209
EXCESS (DEFICIENCY) OF						
REVENUES OVER EXPENDITURES.....	(49,677)	(390,000)	(439,677)	1,288,666	(1,989)	1,726,354
OTHER FINANCING SOURCES (USES):						
Premium from issuance of bonds.....	-	-	-	67,107	-	67,107
Transfer from General Fund - Tax Subsidy.....	-	390,000	390,000	390,000	-	-
Transfers out - general fund for indirect costs.....	-	(304,918)	(304,918)	(304,918)	-	-
Transfers out - enterprise capital/grant fund.....	-	(11,958)	(11,958)	(11,958)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	-	73,124	73,124	140,231	-	67,107
NET CHANGE IN FUND BALANCE.....	(49,677)	(316,876)	(366,553)	1,428,897	(1,989)	1,793,461
BUDGETARY FUND BALANCE, Beginning of year.....	-	624,028	624,028	624,028	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ (49,677)	\$ 307,152	\$ 257,475	\$ 2,052,925	\$ (1,989)	\$ 1,793,461

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

FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Amounts Carried forward From Prior Year	Original Budget	Final Budget			
REVENUES:						
Utility user charges.....	\$ -	\$ 2,330,579	\$ 2,330,579	\$ 2,000,518	\$ -	\$ (330,061)
Other departmental revenue.....	-	255,000	255,000	308,623	-	53,623
Investment income.....	-	2,500	2,500	2,456	-	(44)
TOTAL REVENUES.....	-	2,588,079	2,588,079	2,311,597	-	(276,482)
EXPENDITURES:						
Salary and wages.....	-	423,754	423,754	373,625	-	50,129
Other expenses.....	-	2,922,325	2,922,325	1,705,827	-	1,216,498
Capital non-borrowing.....	18,250	75	18,325	75	9,500	8,750
TOTAL EXPENDITURES.....	18,250	3,346,154	3,364,404	2,079,527	9,500	1,275,377
EXCESS (DEFICIENCY) OF						
REVENUES OVER EXPENDITURES.....	(18,250)	(758,075)	(776,325)	232,070	(9,500)	998,895
OTHER FINANCING SOURCES (USES):						
Transfers out - general fund for indirect costs.....	-	(92,000)	(92,000)	(92,000)	-	-
Transfers out - enterprise capital/grant fund.....	-	(91,266)	(91,266)	(91,266)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	-	(183,266)	(183,266)	(183,266)	-	-
NET CHANGE IN FUND BALANCE.....	(18,250)	(941,341)	(959,591)	48,804	(9,500)	998,895
BUDGETARY FUND BALANCE, Beginning of year.....	-	526,397	526,397	526,397	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ (18,250)	\$ (414,944)	\$ (433,194)	\$ 575,201	\$ (9,500)	\$ 998,895

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

FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Amounts Carried forward From Prior Year	Original Budget	Final Budget			
REVENUES:						
Utility user charges.....	\$ -	\$ 1,518,630	\$ 1,518,630	\$ 1,667,809	\$ -	\$ 149,179
Other departmental revenue.....	-	120,000	120,000	243,731	-	123,731
Investment income.....	-	6,820	6,820	10,271	-	3,451
TOTAL REVENUES.....	-	1,645,450	1,645,450	1,921,811	-	276,361
EXPENDITURES:						
Salary and wages.....	-	287,303	287,303	274,033	-	13,270
Other expenses.....	4,959	774,814	779,773	551,504	-	228,269
Debt service.....	-	310,529	310,529	310,526	-	3
Capital non-borrowing.....	3,300	90,000	93,300	34,300	21,400	37,600
TOTAL EXPENDITURES.....	8,259	1,462,646	1,470,905	1,170,363	21,400	279,142
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(8,259)	182,804	174,545	751,448	(21,400)	555,503
OTHER FINANCING SOURCES (USES):						
Transfers out - general fund for indirect costs.....	-	(277,763)	(277,763)	(277,763)	-	-
NET CHANGE IN FUND BALANCE.....	(8,259)	(94,959)	(103,218)	473,685	(21,400)	555,503
BUDGETARY FUND BALANCE, Beginning of year.....	-	315,656	315,656	315,656	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ (8,259)	\$ 220,697	\$ 212,438	\$ 789,341	\$ (21,400)	\$ 555,503