

***TOWN OF PLYMOUTH, MASSACHUSETTS***

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

***FISCAL YEAR ENDED JUNE 30, 2013***

TOWN OF PLYMOUTH, MASSACHUSETTS

REPORT ON EXAMINATION OF BASIC FINANCIAL STATEMENTS

JUNE 30, 2013

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100 Quannapowitt Parkway  
Suite 101  
Wakefield, MA 01880  
T. 781-914-1700  
F. 781-914-1701  
[www.powersandsullivan.com](http://www.powersandsullivan.com)

## **Independent Auditor's Report**

To the Honorable Board of Selectmen  
Town of Plymouth, Massachusetts

## **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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 year ended June 30, 2013 (except for the Plymouth Contributory Retirement System and the Plymouth Growth & Development Corporation which are as of and for the year ended December 31, 2012), which collectively comprise the Town's basic financial statements as listed in the table of contents.

## **Management's Responsibility for the Financial Statements**

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

## **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Plymouth Growth & Development Corporation, which represents 100% of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Plymouth Growth & Development Corporation, is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Plymouth, Massachusetts, as of June 30, 2013 (except for the Plymouth Contributory Retirement System and the Plymouth Growth & Development Corporation which are as of and for the year ended December 31, 2012), and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

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

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

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2014, on our consideration of the Town of Plymouth, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Plymouth, Massachusetts' internal control over financial reporting and compliance.

*Powers + Sullivan, LLC*

March 27, 2014

# ***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, 2013.

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

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

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

The *statement of net position* presents information on all assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions 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.

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

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

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

### **Governmental Activities**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Governmental assets exceeded liabilities by \$186.6 million at the close of fiscal year 2013.

Governmental net position of \$222.3 million reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, vehicles and infrastructure), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position, \$5.6 million, represents resources that are subject to external restrictions on how they may be used. The Town has \$47.1 million of *unrestricted net position* without considering the recorded liability for a portion of the postemployment healthcare obligation. That liability of \$88.4 million is long-term in nature, and will not be funded from the \$47.1 million of unrestricted net position at June 30, 2013.

The governmental activities net position decreased by \$9.7 million during the current fiscal year. The decrease in net position is due to many factors. Increases included the recognition of \$5.5 million of capital grants and a general fund surplus of \$2.0 million. 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 2013 the Town, based on its actuarial valuation, reported an accrual of \$88.4 million for its portion of the liability that was not paid. This represents an increase of \$17.4 million over the prior fiscal year.

Condensed financial data for fiscal years 2013 and 2012 is presented below.

	<b>FY2013</b>	<b>FY2012</b>
	<b>Governmental</b>	<b>Governmental</b>
	<b>Activities</b>	<b>Activities</b>
	<hr/>	<hr/>
<b>Assets:</b>		
Current assets.....	\$ 66,974,193	\$ 88,239,799
Noncurrent assets (excluding capital).....	9,885,945	11,227,583
Capital assets.....	308,156,863	290,269,600
Total assets.....	<b>385,017,001</b>	<b>389,736,982</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	10,021,279	19,610,889
Noncurrent liabilities (excluding debt).....	96,004,998	76,644,642
Current debt.....	7,902,566	29,241,887
Noncurrent debt.....	84,514,232	67,917,798
Total liabilities.....	<b>198,443,075</b>	<b>193,415,216</b>
<b>Net Position:</b>		
Net investment in capital assets.....	222,298,672	210,399,139
Restricted.....	5,572,809	5,936,022
Unrestricted.....	(41,297,555)	(20,013,395)
Total net position.....	<b>\$ 186,573,926</b>	<b>\$ 196,321,766</b>

	<b>FY2013</b>	<b>FY2012</b>
	<b>Governmental</b>	<b>Governmental</b>
	<b>Activities</b>	<b>Activities</b>
	<hr/>	<hr/>
<b>Program revenues:</b>		
Charges for services.....	\$ 11,530,135	\$ 11,188,558
Operating grants and contributions.....	49,822,122	47,884,060
Capital grants and contributions.....	5,547,353	16,463,401
 <b>General Revenues:</b>		
Real estate and personal property taxes.....	122,431,569	120,255,263
Tax liens.....	1,361,709	1,162,850
Motor vehicle and other excise taxes.....	7,234,618	6,609,653
Community preservation tax.....	1,802,456	1,771,787
Penalties and interest on taxes.....	715,245	628,420
Payments in lieu of taxes.....	69,883	71,399
Grants and contributions not restricted to specific programs.....	5,790,633	5,473,689
Unrestricted investment income.....	793,292	765,805
Gain/(loss) on sale of capital assets.....	100,000	757,000
Other.....	15,095	45,315
Total revenues.....	<b>207,214,110</b>	<b>213,077,200</b>
 <b>Expenses:</b>		
General government.....	(13,316,807)	(12,713,375)
Public safety.....	(35,961,958)	(35,930,379)
Education.....	(146,629,706)	(144,240,844)
Public works.....	(12,224,988)	(11,517,713)
Human services.....	(2,131,201)	(1,993,241)
Culture and recreation.....	(4,506,897)	(4,244,853)
Community preservation.....	(695,362)	(142,038)
Interest.....	(3,362,466)	(2,727,408)
Total expenses.....	<b>(218,829,385)</b>	<b>(213,509,851)</b>
 <b>Transfers.....</b>	<b>1,867,435</b>	<b>1,393,838</b>
 <b>Change in net position.....</b>	<b>(9,747,840)</b>	<b>961,187</b>
 <b>Net position - beginning.....</b>	<b>196,321,766</b>	<b>195,360,579</b>
 <b>Net position - ending.....</b>	<b>\$ 186,573,926</b>	<b>\$ 196,321,766</b>

### Business-type Activities

Business-type assets exceeded liabilities by \$70.2 million at June 30, 2013. Net investment in capital assets was \$62.7 million. The remaining balance of *unrestricted* net position of \$7.5 million may be used to meet the enterprise funds' ongoing obligations.

There was an increase of \$1.5 million in net position reported in connection with the water, sewer, airport, and solid waste business-type activities. Condensed financial data for the fiscal years 2013 and 2012 are presented below:

	<b>FY2013 Business-type Activities</b>	<b>FY2012 Business-type Activities</b>
<b>Assets:</b>		
Current assets.....	\$ 13,194,938	\$ 14,464,949
Noncurrent assets (excluding capital).....	5,133,771	5,745,145
Capital assets.....	<u>84,969,243</u>	<u>84,300,871</u>
Total assets.....	<b>103,297,952</b>	<b>104,510,965</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	1,141,051	1,233,328
Noncurrent liabilities (excluding debt).....	3,238,922	2,781,928
Current debt.....	3,243,821	3,882,101
Noncurrent debt.....	<u>25,453,058</u>	<u>27,896,879</u>
Total liabilities.....	<b>33,076,852</b>	<b>35,794,236</b>
<b>Net Position:</b>		
Net investment in capital assets.....	62,736,122	60,644,124
Unrestricted.....	<u>7,484,978</u>	<u>8,072,605</u>
Total net position.....	<b>\$ 70,221,100</b>	<b>\$ 68,716,729</b>
<b>Program revenues:</b>		
Charges for services.....	\$ 13,230,154	\$ 13,434,999
Operating grants and contributions.....	31,947	37,318
Capital grants and contributions.....	1,934,316	3,569,062
<b>General Revenues:</b>		
Unrestricted investment income.....	<u>87,331</u>	<u>102,861</u>
Total revenues.....	<b>15,283,748</b>	<b>17,144,240</b>
<b>Expenses:</b>		
Water.....	(3,457,591)	(3,574,063)
Sewer.....	(4,579,445)	(4,278,205)
Airport.....	(2,841,763)	(3,161,594)
Solid waste.....	<u>(1,033,143)</u>	<u>(1,099,370)</u>
Total expenses.....	<b>(11,911,942)</b>	<b>(12,113,232)</b>
<b>Transfers.....</b>	<b><u>(1,867,435)</u></b>	<b><u>(1,393,838)</u></b>
<b>Change in net position.....</b>	<b>1,504,371</b>	<b>3,637,170</b>
<b>Net position - beginning.....</b>	<b><u>68,716,729</u></b>	<b><u>65,079,559</u></b>
<b>Net position - ending.....</b>	<b>\$ <u>70,221,100</u></b>	<b>\$ <u>68,716,729</u></b>

The water enterprise net position decreased by \$279,000 during the current fiscal year. The change is attributable to an increase of \$213,000 related to the GASB Statement #45 liability.

The sewer enterprise net position increased by \$1.3 million during the current fiscal year. The change is attributable to the recognition of capital grants and contributions.

The airport enterprise net position decreased by \$130,000 during the current fiscal year. The change is attributable to the increase of \$84,000 in the liability related to GASB Statement #45 and an increase in the indirect cost transfer out.

The solid waste enterprise net position increased by \$638,000 during the current fiscal year. The net change is attributable to debt principal payments exceeding depreciation expense by \$146,000 and the rates being structured to raise funds for the establishment of a stabilization fund of \$300,000.

## ***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.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$43.0 million an increase of \$10.1 million in comparison with the prior year. This increase is primarily attributable to the timing of expenditures relating to various Town and School related capital projects, the corresponding receipt of bond proceeds to fund the projects, and the recognition of bond premiums.

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund totaled \$19.9 million which was comprised of two components: a general fund balance of \$11.2 million and a stabilization fund balance of \$8.7 million. Assigned fund balance, which represents amounts designated for the fiscal year 2013 budget as well as amounts that have been reserved for the use of liquidating prior period purchase orders and contracts totaled \$5.1 million. Committed fund balance, which represents the Town's various capital articles, totaled \$716,000. Fund balance of \$2.7 million represents bond premiums that are restricted for future debt service. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. At fiscal year-end unassigned fund balance equaled 11% of total general fund expenditures, while total fund balance equaled 15% of the same amount.

The current year general fund net change in fund balance was an increase of \$1.9 million. This is mainly due to a \$1.8 million premium received from the issuance of bonds.

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

The *community preservation fund* is used to account for funds received in accordance with the Massachusetts Community Preservation Act (the "CPA"). At the end of the current fiscal year, the fund had an accumulated fund balance of \$2.6 million; this is a decrease of \$2.2 million from the prior year. This is mainly due to the timing of the expenditures of CPA funds on the various ongoing projects.

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 deficit of \$650,000; this is an increase of \$3.6 million. The increase is due grant revenues and bond proceeds exceeding current year project expenditures. The deficit is expected to be funded with Massachusetts School Business Authority grant revenues.

The *internal service governmental fund* provides for health insurance coverage for the Towns employees. Results of operations report a decrease in net position of \$750,000 in FY2013 and the fund has accumulated net position of \$4.2 million. The decrease is due to an operating loss of \$965,000 offset by the receipt of \$216,000 of investment income.

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

The Plymouth Contributory Retirement System (the System) was established to provide retirement benefits to Town employees, the Town Housing Authority employees, and their beneficiaries. The System is presented using the accrual basis of accounting and is reported as a pension trust fund in the fiduciary fund financial statements. At the end of the year, the system had accumulated net position of \$120,197,154. This represents an increase of \$12.8 million from the previous year. The increase was the result of favorable market conditions that resulted in a net change in fair value of investments of \$15.0 million offset by an increase in retirement benefits.

The Other Postemployment Benefit Trust fund (the Trust) was established during fiscal year 2012 to account for assets relating to the pre-funding of the Town's Other Postemployment Benefit liability. During fiscal year 2013, the fund earned \$25,281 in investment income resulting in accumulated net position of \$637,736 at the end of the fiscal year.

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

The \$1.1 million increase between the original budget and the final amended budget was mainly due to appropriation increases in general government, public safety, and education, offset by appropriation decreases in debt service expenditures.

### ***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, 2013, totaled \$91.6 million, of which approximately \$49.2 million relates to various school construction projects, \$12.7 million relates to buildings, \$20.6 million relates to other school projects, \$2.0 million relates to departmental equipment, leaving a balance of approximately \$7.1 million for various projects.

The enterprise funds have \$21.1 million in sewer debt, \$6.5 million in water debt, and \$1.0 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 and the senior center project. These projects will continue through fiscal year 2014.

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

### ***Requests for Information***

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

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# ***Basic Financial Statements***

**STATEMENT OF NET POSITION**

JUNE 30, 2013

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Plymouth Growth &amp; Development</u>
<b>ASSETS</b>				
<b>CURRENT:</b>				
Cash and short-term investments.....	\$ 50,064,206	\$ 8,625,254	\$ 58,689,460	\$ 852,727
Investments.....	3,060,713	497,233	3,557,946	-
Receivables, net of allowance for uncollectibles:				
Real estate and personal property taxes.....	2,906,894	-	2,906,894	-
Tax liens.....	1,027,352	-	1,027,352	-
Motor vehicle excise taxes.....	1,371,768	-	1,371,768	-
User fees.....	-	3,371,081	3,371,081	-
Departmental and other.....	32,856	90,000	122,856	-
Special assessments.....	518,444	-	518,444	-
Intergovernmental.....	5,927,686	611,370	6,539,056	-
Parking tickets.....	-	-	-	87,330
Tax foreclosures.....	1,512,973	-	1,512,973	-
Working capital deposit.....	166,200	-	166,200	-
Other assets.....	228,507	-	228,507	19,093
Prepaid expenses.....	-	-	-	22,546
Deferred loss on refunding.....	156,594	-	156,594	-
<b>NONCURRENT:</b>				
Receivables, net of allowance for uncollectibles:				
Intergovernmental.....	9,415,399	5,133,771	14,549,170	-
Deferred loss on refunding.....	470,546	-	470,546	-
Capital assets, net of accumulated depreciation:				
Nondepreciable.....	203,814,460	26,382,451	230,196,911	-
Depreciable.....	104,342,403	58,586,792	162,929,195	304,776
<b>TOTAL ASSETS.....</b>	<b>385,017,001</b>	<b>103,297,952</b>	<b>488,314,953</b>	<b>1,286,472</b>
<b>LIABILITIES</b>				
<b>CURRENT:</b>				
Warrants payable.....	5,018,058	352,446	5,370,504	75,999
Accrued payroll.....	797,695	37,401	835,096	4,445
Health claims payable.....	2,096,000	-	2,096,000	-
Tax refunds payable.....	299,000	-	299,000	-
Accrued interest.....	613,461	180,216	793,677	-
Abandoned property.....	79,487	-	79,487	-
Other liabilities.....	162,044	466,420	628,464	-
Landfill closure.....	-	50,000	50,000	-
Compensated absences.....	163,900	11,200	175,100	8,562
Unamortized premium on bonds payable.....	791,634	43,368	835,002	-
Notes payable.....	825,000	-	825,000	-
Bonds payable.....	7,077,566	3,243,821	10,321,387	-
<b>NONCURRENT:</b>				
Landfill closure.....	-	750,000	750,000	-
Compensated absences.....	1,475,100	100,800	1,575,900	-
Other postemployment benefits.....	88,389,934	2,141,942	90,531,876	-
Unamortized premium on bonds payable.....	6,139,964	246,180	6,386,144	-
Bonds payable.....	84,514,232	25,453,058	109,967,290	-
<b>TOTAL LIABILITIES.....</b>	<b>198,443,075</b>	<b>33,076,852</b>	<b>231,519,927</b>	<b>89,006</b>
<b>NET POSITION</b>				
Net investment in capital assets.....	222,298,672	62,736,122	285,034,794	285,194
Restricted for:				
Permanent funds:				
Expendable.....	342,905	-	342,905	-
Nonexpendable.....	1,318,376	-	1,318,376	-
Grants and Gifts.....	3,911,528	-	3,911,528	-
Unrestricted.....	(41,297,555)	7,484,978	(33,812,577)	912,272
<b>TOTAL NET POSITION.....</b>	<b>\$ 186,573,926</b>	<b>\$ 70,221,100</b>	<b>\$ 256,795,026</b>	<b>\$ 1,197,466</b>

See notes to basic financial statements.

**STATEMENT OF ACTIVITIES**

FISCAL YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
<i>Governmental Activities:</i>					
General government.....	\$ 13,316,807	\$ 3,071,292	\$ 1,305,838	\$ 333,300	\$ (8,606,377)
Public safety.....	35,961,958	1,880,781	277,334	94,801	(33,709,042)
Education.....	146,629,706	3,978,801	45,955,061	1,845,092	(94,850,752)
Public works.....	12,224,988	1,268,529	1,393,354	2,324,196	(7,238,909)
Human services.....	2,131,201	538,739	126,443	-	(1,466,019)
Culture and recreation.....	4,506,897	791,993	234,811	-	(3,480,093)
Community preservation.....	695,362	-	-	949,964	254,602
Interest.....	3,362,466	-	529,281	-	(2,833,185)
<b>Total Governmental Activities.....</b>	<b>218,829,385</b>	<b>11,530,135</b>	<b>49,822,122</b>	<b>5,547,353</b>	<b>(151,929,775)</b>
<i>Business-Type Activities:</i>					
Water.....	3,457,591	4,210,958	-	12,837	766,204
Sewer.....	4,579,445	4,829,054	-	1,320,358	1,569,967
Airport.....	2,841,763	2,285,413	-	601,121	44,771
Solid waste.....	1,033,143	1,904,729	31,947	-	903,533
<b>Total Business-Type Activities.....</b>	<b>11,911,942</b>	<b>13,230,154</b>	<b>31,947</b>	<b>1,934,316</b>	<b>3,284,475</b>
<b>Total Primary Government.....</b>	<b>\$ 230,741,327</b>	<b>\$ 24,760,289</b>	<b>\$ 49,854,069</b>	<b>\$ 7,481,669</b>	<b>\$ (148,645,300)</b>
<b>Component Unit:</b>					
Plymouth Growth & Development.....	\$ 652,083	\$ 982,583	\$ -	\$ -	\$ 330,500

See notes to basic financial statements.

(Continued)

**STATEMENT OF ACTIVITIES (Continued)**

FISCAL YEAR ENDED JUNE 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Plymouth Growth & Development
<b>Changes in net position:</b>				
Net (expense) revenue from previous page.....	\$ <b>(151,929,775)</b>	\$ <b>3,284,475</b>	\$ <b>(148,645,300)</b>	\$ <b>330,500</b>
<i>General revenues:</i>				
Real estate and personal property taxes, net of tax refunds payable.....	122,431,569	-	122,431,569	-
Tax liens.....	1,361,709	-	1,361,709	-
Motor vehicle and other excise taxes.....	7,234,618	-	7,234,618	-
Community preservation tax.....	1,802,456	-	1,802,456	-
Penalties and interest on taxes.....	715,245	-	715,245	-
Payments in lieu of taxes.....	69,883	-	69,883	-
Grants and contributions not restricted to specific programs.....	5,790,633	-	5,790,633	-
Unrestricted investment income.....	793,292	87,331	880,623	737
Gain on sale of capital assets.....	100,000	-	100,000	-
Miscellaneous.....	15,095	-	15,095	-
<i>Transfers, net</i> .....	1,867,435	(1,867,435)	-	-
Total general revenues and transfers.....	142,181,935	(1,780,104)	140,401,831	737
Change in net position.....	(9,747,840)	1,504,371	(8,243,469)	331,237
<i>Net Position:</i>				
Beginning of year.....	196,321,766	68,716,729	265,038,495	866,229
End of year.....	\$ <u>186,573,926</u>	\$ <u>70,221,100</u>	\$ <u>256,795,026</u>	\$ <u>1,197,466</u>

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

JUNE 30, 2013

<b>ASSETS</b>	General	Community Preservation	Excluded Debt Projects	Nonmajor Governmental Funds	Total Governmental Funds
Cash and short-term investments.....	\$ 29,131,126	\$ 2,317,820	\$ 309,884	\$ 12,780,034	\$ 44,538,864
Investments.....	1,779,972	305,626	-	369,450	2,455,048
Receivables, net of uncollectibles:					
Real estate and personal property taxes.....	2,906,894	-	-	-	2,906,894
Tax liens.....	1,016,182	11,170	-	-	1,027,352
Motor vehicle excise taxes.....	1,371,768	-	-	-	1,371,768
Departmental and other.....	-	32,856	-	-	32,856
Special assessments.....	-	-	-	518,444	518,444
Intergovernmental.....	11,192,707	942,963	-	3,207,415	15,343,085
Tax foreclosures.....	1,512,973	-	-	-	1,512,973
<b>TOTAL ASSETS.....</b>	<b>\$ 48,911,622</b>	<b>\$ 3,610,435</b>	<b>\$ 309,884</b>	<b>\$ 16,875,343</b>	<b>\$ 69,707,284</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Warrants payable.....	\$ 3,264,269	-	\$ 577,873	\$ 1,144,651	\$ 4,986,793
Accrued payroll.....	747,514	-	-	50,181	797,695
Tax refunds payable.....	299,000	-	-	-	299,000
Abandoned property.....	79,487	-	-	-	79,487
Deferred revenues.....	16,081,769	986,995	-	2,608,830	19,677,594
Notes payable.....	-	-	382,000	443,000	825,000
<b>TOTAL LIABILITIES.....</b>	<b>20,472,039</b>	<b>986,995</b>	<b>959,873</b>	<b>4,246,662</b>	<b>26,665,569</b>
<b>FUND BALANCES:</b>					
Nonspendable.....	-	-	-	1,318,376	1,318,376
Restricted.....	2,724,636	2,623,440	-	11,619,784	16,967,860
Committed.....	715,719	-	-	-	715,719
Assigned.....	5,134,055	-	-	-	5,134,055
Unassigned.....	19,865,173	-	(649,989)	(309,479)	18,905,705
<b>TOTAL FUND BALANCES (DEFICITS).....</b>	<b>28,439,583</b>	<b>2,623,440</b>	<b>(649,989)</b>	<b>12,628,681</b>	<b>43,041,715</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 48,911,622</b>	<b>\$ 3,610,435</b>	<b>\$ 309,884</b>	<b>\$ 16,875,343</b>	<b>\$ 69,707,284</b>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2013

Total governmental fund balances.....		\$ 43,041,715
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		308,156,863
Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.....		19,677,594
Internal service funds are used by management to account for retirees' health insurance and workers' compensation activities.		
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....		4,236,405
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(613,461)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Bonds payable.....	(91,591,798)	
Unamortized premium on bonds payable.....	(6,931,598)	
Other postemployment benefits.....	(88,389,934)	
Compensated absences.....	(1,639,000)	
Net effect of reporting long-term liabilities.....		(188,552,330)
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>627,140</u>
Net position of governmental activities.....		<u>\$ 186,573,926</u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2013

	General	Community Preservation	Excluded Debt Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
Real estate and personal property taxes, net of tax refunds.....	\$ 123,010,207	\$ -	\$ -	\$ -	\$ 123,010,207
Tax liens.....	827,057	-	-	-	827,057
Motor vehicle and other excise taxes.....	6,848,414	-	-	-	6,848,414
Community preservation tax.....	-	1,802,456	-	-	1,802,456
Penalties and interest on taxes.....	715,245	-	-	-	715,245
Payments in lieu of taxes.....	69,883	-	-	-	69,883
Intergovernmental - federal.....	550,291	-	-	7,425,401	7,975,692
Intergovernmental - state.....	45,696,802	473,804	1,747,453	4,179,927	52,097,986
Departmental and other.....	5,313,592	-	-	6,607,201	11,920,793
Contributions.....	-	-	-	425,188	425,188
Investment income.....	494,522	35,128	-	47,624	577,274
<b>TOTAL REVENUES.....</b>	<b>183,526,013</b>	<b>2,311,388</b>	<b>1,747,453</b>	<b>18,685,341</b>	<b>206,270,195</b>
<b>EXPENDITURES:</b>					
Current:					
General government.....	8,973,231	-	-	1,399,404	10,372,635
Public safety.....	18,618,701	-	-	885,098	19,503,799
Education.....	83,915,109	-	8,750,841	17,106,074	109,772,024
Public works.....	6,962,201	-	-	3,194,471	10,156,672
Human services.....	1,478,281	-	1,292,213	169,303	2,939,797
Culture and recreation.....	2,357,127	-	-	742,889	3,100,016
Community preservation.....	-	4,538,645	-	-	4,538,645
Pension benefits.....	23,728,175	-	-	-	23,728,175
Employee benefits.....	29,523,165	-	-	-	29,523,165
State and county charges.....	966,024	-	-	-	966,024
Debt service:					
Principal.....	6,333,287	-	-	-	6,333,287
Interest.....	3,615,032	-	-	-	3,615,032
<b>TOTAL EXPENDITURES.....</b>	<b>186,470,333</b>	<b>4,538,645</b>	<b>10,043,054</b>	<b>23,497,239</b>	<b>224,549,271</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(2,944,320)</b>	<b>(2,227,257)</b>	<b>(8,295,601)</b>	<b>(4,811,898)</b>	<b>(18,279,076)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from bonds.....	-	-	11,125,000	12,549,000	23,674,000
Premium from issuance of bonds and notes.....	1,832,051	-	875,000	-	2,707,051
Sale of capital assets.....	-	-	-	100,000	100,000
Transfers in.....	3,125,838	-	-	71,009	3,196,847
Transfers out.....	(71,009)	-	(130,195)	(1,128,208)	(1,329,412)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>4,886,880</b>	<b>-</b>	<b>11,869,805</b>	<b>11,591,801</b>	<b>28,348,486</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>1,942,560</b>	<b>(2,227,257)</b>	<b>3,574,204</b>	<b>6,779,903</b>	<b>10,069,410</b>
<b>FUND BALANCES (DEFICITS) AT BEGINNING OF YEAR.....</b>	<b>26,497,023</b>	<b>4,850,697</b>	<b>(4,224,193)</b>	<b>5,848,778</b>	<b>32,972,305</b>
<b>FUND BALANCES (DEFICITS) AT END OF YEAR.....</b>	<b>\$ 28,439,583</b>	<b>\$ 2,623,440</b>	<b>\$ (649,989)</b>	<b>\$ 12,628,681</b>	<b>\$ 43,041,715</b>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2013

Net change in fund balances - total governmental funds.....		\$ 10,069,410
<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.....	25,226,986	
Depreciation expense.....	<u>(7,339,723)</u>	
Net effect of reporting capital assets.....		17,887,263
<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>		
		294,597
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Proceeds from bonds.....	(23,674,000)	
Debt service principal payments.....	<u>6,333,287</u>	
Net effect of reporting long-term debt.....		(17,340,713)
<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.....	(91,000)	
Net change in accrued interest on long-term debt.....	(125,701)	
Net change in other postemployment benefit accrual.....	(17,363,039)	
Amortization of bond premiums.....	(2,152,662)	
Amortization of deferred charge on refunding.....	<u>(176,122)</u>	
Net effect of recording long-term liabilities and amortizing deferred losses.....		(19,908,524)
<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>(749,873)</u>
Change in net position of governmental activities.....		<u>\$ (9,747,840)</u>

See notes to basic financial statements.

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

JUNE 30, 2013

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Airport	Solid Waste	Total	
<b>ASSETS</b>						
<b>CURRENT:</b>						
Cash and short-term investments.....	\$ 3,276,730	\$ 2,633,145	\$ 678,264	\$ 2,037,115	\$ 8,625,254	\$ 5,525,342
Investments.....	497,233	-	-	-	497,233	605,665
Receivables, net of allowance for uncollectibles:						
User fees.....	1,787,707	1,583,374	-	-	3,371,081	-
Departmental and other.....	-	-	-	90,000	90,000	-
Intergovernmental.....	9,987	571,116	-	30,267	611,370	-
Working capital deposit.....	-	-	-	-	-	166,200
Other assets.....	-	-	-	-	-	228,507
<b>Total current assets.....</b>	<b>5,571,657</b>	<b>4,787,635</b>	<b>678,264</b>	<b>2,157,382</b>	<b>13,194,938</b>	<b>6,525,714</b>
<b>NONCURRENT:</b>						
Receivables, net of allowance for uncollectibles:						
Intergovernmental.....	90,615	4,812,117	-	231,039	5,133,771	-
Capital assets, net of accumulated depreciation.....						
Nondepreciable.....	20,177,514	2,058,148	4,121,250	25,539	26,382,451	-
Depreciable.....	19,793,051	31,154,197	7,136,283	503,261	58,586,792	-
<b>Total noncurrent assets.....</b>	<b>40,061,180</b>	<b>38,024,462</b>	<b>11,257,533</b>	<b>759,839</b>	<b>90,103,014</b>	<b>-</b>
<b>TOTAL ASSETS.....</b>	<b>45,632,837</b>	<b>42,812,097</b>	<b>11,935,797</b>	<b>2,917,221</b>	<b>103,297,952</b>	<b>6,525,714</b>
<b>LIABILITIES</b>						
<b>CURRENT:</b>						
Warrants payable.....	203,509	68,480	4,053	76,404	352,446	31,265
Accrued payroll.....	16,908	4,128	8,370	7,995	37,401	-
Health claims payable.....	-	-	-	-	-	2,096,000
Accrued interest.....	30,596	149,388	-	232	180,216	-
Other liabilities.....	-	-	-	466,420	466,420	162,044
Landfill closure.....	-	-	-	50,000	50,000	-
Compensated absences.....	3,700	3,300	3,200	1,000	11,200	-
Unamortized premium on bonds payable.....	43,368	-	-	-	43,368	-
Bonds payable.....	615,500	2,468,737	-	159,584	3,243,821	-
<b>Total current liabilities.....</b>	<b>913,581</b>	<b>2,694,033</b>	<b>15,623</b>	<b>761,635</b>	<b>4,384,872</b>	<b>2,289,309</b>
<b>NONCURRENT:</b>						
Landfill closure.....	-	-	-	750,000	750,000	-
Compensated absences.....	33,300	29,700	28,800	9,000	100,800	-
Other postemployment benefits.....	1,078,690	338,783	439,507	284,962	2,141,942	-
Unamortized premium on bonds payable.....	246,180	-	-	-	246,180	-
Bonds payable.....	5,925,000	18,673,058	-	855,000	25,453,058	-
<b>Total noncurrent liabilities.....</b>	<b>7,283,170</b>	<b>19,041,541</b>	<b>468,307</b>	<b>1,898,962</b>	<b>28,691,980</b>	<b>-</b>
<b>TOTAL LIABILITIES.....</b>	<b>8,196,751</b>	<b>21,735,574</b>	<b>483,930</b>	<b>2,660,597</b>	<b>33,076,852</b>	<b>2,289,309</b>
<b>NET POSITION</b>						
Net investment in capital assets.....	33,545,589	17,453,783	11,257,533	479,217	62,736,122	-
Unrestricted.....	3,890,497	3,622,740	194,334	(222,593)	7,484,978	4,236,405
<b>TOTAL NET POSITION.....</b>	<b>\$ 37,436,086</b>	<b>\$ 21,076,523</b>	<b>\$ 11,451,867</b>	<b>\$ 256,624</b>	<b>\$ 70,221,100</b>	<b>\$ 4,236,405</b>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2013

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Airport	Solid Waste	Total	
<b>OPERATING REVENUES:</b>						
Employee contributions .....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,995,058
Employer contributions .....	-	-	-	-	-	25,796,660
Charges for services .....	4,210,958	4,829,054	42,889	1,899,529	10,982,430	-
Fuel sales.....	-	-	1,981,169	-	1,981,169	-
Rentals.....	-	-	261,355	-	261,355	-
Other.....	-	-	-	5,200	5,200	3,263
<b>TOTAL OPERATING REVENUES .....</b>	<b>4,210,958</b>	<b>4,829,054</b>	<b>2,285,413</b>	<b>1,904,729</b>	<b>13,230,154</b>	<b>30,794,981</b>
<b>OPERATING EXPENSES:</b>						
Cost of services and administration .....	2,002,148	2,469,268	2,299,438	914,246	7,685,100	-
Depreciation.....	1,205,237	904,992	542,325	62,420	2,714,974	-
Employee benefits .....	-	-	-	-	-	31,760,872
<b>TOTAL OPERATING EXPENSES .....</b>	<b>3,207,385</b>	<b>3,374,260</b>	<b>2,841,763</b>	<b>976,666</b>	<b>10,400,074</b>	<b>31,760,872</b>
<b>OPERATING INCOME (LOSS).....</b>	<b>1,003,573</b>	<b>1,454,794</b>	<b>(556,350)</b>	<b>928,063</b>	<b>2,830,080</b>	<b>(965,891)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Investment income/(loss).....	57,487	23,479	1,382	4,983	87,331	216,018
Interest expense.....	(250,206)	(1,205,185)	-	(56,477)	(1,511,868)	-
Intergovernmental - federal.....	-	-	524,460	-	524,460	-
Intergovernmental - state.....	12,837	831,808	76,661	31,947	953,253	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES), NET.....</b>	<b>(179,882)</b>	<b>(349,898)</b>	<b>602,503</b>	<b>(19,547)</b>	<b>53,176</b>	<b>216,018</b>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS.....</b>	<b>823,691</b>	<b>1,104,896</b>	<b>46,153</b>	<b>908,516</b>	<b>2,883,256</b>	<b>(749,873)</b>
<b>CAPITAL CONTRIBUTIONS.....</b>	<b>-</b>	<b>488,550</b>	<b>-</b>	<b>-</b>	<b>488,550</b>	<b>-</b>
<b>TRANSFERS:</b>						
Transfers out.....	(1,102,265)	(318,110)	(176,450)	(270,610)	(1,867,435)	-
<b>TOTAL TRANSFERS.....</b>	<b>(1,102,265)</b>	<b>(318,110)</b>	<b>(176,450)</b>	<b>(270,610)</b>	<b>(1,867,435)</b>	<b>-</b>
<b>CHANGE IN NET POSITION.....</b>	<b>(278,574)</b>	<b>1,275,336</b>	<b>(130,297)</b>	<b>637,906</b>	<b>1,504,371</b>	<b>(749,873)</b>
<b>NET POSITION (DEFICITS) AT BEGINNING OF YEAR.....</b>	<b>37,714,660</b>	<b>19,801,187</b>	<b>11,582,164</b>	<b>(381,282)</b>	<b>68,716,729</b>	<b>4,986,278</b>
<b>NET POSITION AT END OF YEAR.....</b>	<b>\$ 37,436,086</b>	<b>\$ 21,076,523</b>	<b>\$ 11,451,867</b>	<b>\$ 256,624</b>	<b>\$ 70,221,100</b>	<b>\$ 4,236,405</b>

See notes to basic financial statements.

**PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS**

FISCAL YEAR ENDED JUNE 30, 2013

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Airport	Solid Waste	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Receipts from customers and users.....	\$ 4,176,852	\$ 4,866,551	\$ 2,285,413	\$ 1,814,729	\$ 13,143,545	\$ -
Receipts from interfund services provided.....	-	-	-	-	-	30,987,428
Payments to vendors.....	(817,910)	(2,101,596)	(1,878,430)	(785,567)	(5,583,503)	-
Payments to employees.....	(894,725)	(239,079)	(379,547)	(282,149)	(1,795,500)	-
Payments for interfund services used.....	-	-	-	-	-	(35,523,690)
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>2,464,217</b>	<b>2,525,876</b>	<b>27,436</b>	<b>747,013</b>	<b>5,764,542</b>	<b>(4,536,262)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Transfers out.....	(1,102,265)	(318,110)	(176,450)	(270,610)	(1,867,435)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Proceeds from the issuance of bonds and notes.....	800,000	-	-	-	800,000	-
Capital contributions.....	-	488,550	-	-	488,550	-
Acquisition and construction of capital assets.....	(1,792,779)	(948,571)	(440,941)	(201,055)	(3,383,346)	-
Principal payments on bonds and notes.....	(1,336,676)	(1,833,703)	-	(208,822)	(3,379,201)	-
Interest expense.....	(123,664)	(428,083)	-	(24,908)	(576,655)	-
Intergovernmental grants.....	-	-	601,121	-	601,121	-
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....</b>	<b>(2,453,119)</b>	<b>(2,721,807)</b>	<b>160,180</b>	<b>(434,785)</b>	<b>(5,449,531)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Net proceeds from purchase/sales of investments.....	143,993	-	-	-	143,993	97,532
Investment income/(loss).....	57,487	23,479	1,382	4,983	87,331	216,018
<b>NET CASH FROM INVESTING ACTIVITIES.....</b>	<b>201,480</b>	<b>23,479</b>	<b>1,382</b>	<b>4,983</b>	<b>231,324</b>	<b>313,550</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>(889,687)</b>	<b>(490,562)</b>	<b>12,548</b>	<b>46,601</b>	<b>(1,321,100)</b>	<b>(4,222,712)</b>
<b>CASH AND CASH EQUIVALENTS</b>						
AT BEGINNING OF YEAR.....	4,166,417	3,123,707	665,716	1,990,514	9,946,354	9,748,054
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR.....</b>	<b>\$ 3,276,730</b>	<b>\$ 2,633,145</b>	<b>\$ 678,264</b>	<b>\$ 2,037,115</b>	<b>\$ 8,625,254</b>	<b>\$ 5,525,342</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</b>						
Operating income (loss).....	\$ 1,003,573	\$ 1,454,794	\$ (556,350)	\$ 928,063	\$ 2,830,080	\$ (965,891)
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Depreciation.....	1,205,237	904,992	542,325	62,420	2,714,974	-
Changes in assets and liabilities:						
User fees.....	(34,106)	37,497	-	-	3,391	-
Departmental and other.....	-	-	-	(90,000)	(90,000)	420,954
Working capital deposit.....	-	-	-	-	-	(4,200)
Other assets.....	-	-	-	-	-	(228,507)
Warrants payable.....	84,091	67,229	(44,781)	(20,570)	85,969	(31,557)
Other postemployment benefits.....	212,780	65,040	83,840	64,496	426,156	-
Accrued liabilities.....	-	-	-	(50,000)	(50,000)	-
Accrued payroll.....	1,642	(676)	1,402	675	3,043	-
Health claims payable.....	-	-	-	-	-	(310,000)
Other liabilities.....	-	-	-	(150,071)	(150,071)	(3,417,061)
Accrued compensated absences.....	(9,000)	(3,000)	1,000	2,000	(9,000)	-
Total adjustments.....	1,460,644	1,071,082	583,786	(181,050)	2,934,462	(3,570,371)
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>\$ 2,464,217</b>	<b>\$ 2,525,876</b>	<b>\$ 27,436</b>	<b>\$ 747,013</b>	<b>\$ 5,764,542</b>	<b>\$ (4,536,262)</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>						
Principal and interest intergovernmental subsidies.....	\$ (22,162)	\$ (1,294,226)	\$ -	\$ (62,408)	\$ (1,378,796)	\$ -

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2013

	Pension Trust Fund (as of December 31, 2012)	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds	Agency Funds
<b>ASSETS</b>				
<b>CURRENT:</b>				
Cash and short-term investments.....	\$ 2,208,158	\$ 504,745	\$ 2,675,826	\$ 1,401,264
Investments.....	118,148,640	132,991	-	-
Prepaid expenses.....	9,331	-	-	-
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	38,949	-	-	-
<b>TOTAL ASSETS.....</b>	<b>120,405,078</b>	<b>637,736</b>	<b>2,675,826</b>	<b>1,401,264</b>
<b>LIABILITIES</b>				
Warrants payable.....	207,924	-	-	30,299
Liabilities due depositors.....	-	-	-	1,370,965
<b>TOTAL LIABILITIES.....</b>	<b>207,924</b>	<b>-</b>	<b>-</b>	<b>1,401,264</b>
<b>NET POSITION</b>				
Held in trust for pension benefits, OPEB benefits, and educational scholarships.....	\$ <u>120,197,154</u>	\$ <u>637,736</u>	\$ <u>2,675,826</u>	\$ <u>-</u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2013

	Pension Trust Fund (as of December 31, 2012)	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds
<b>ADDITIONS:</b>			
Contributions:			
Employer.....	\$ 8,700,459	\$ -	\$ -
Employee.....	3,440,941	-	-
Private donations.....	-	-	130,260
Interest not refunded.....	4,603	-	-
Miscellaneous.....	38,599	-	-
<b>Total contributions.....</b>	<b>12,184,602</b>	<b>-</b>	<b>130,260</b>
Net investment income (loss):			
Net change in fair value of investments.....	12,787,459	25,281	-
Interest.....	3,261,880	-	30,804
<b>Total investment income (loss).....</b>	<b>16,049,339</b>	<b>25,281</b>	<b>30,804</b>
Less: investment expense.....	(1,095,818)	-	-
<b>Net investment income (loss).....</b>	<b>14,953,521</b>	<b>25,281</b>	<b>30,804</b>
Intergovernmental.....	323,500	-	-
Transfers from other systems.....	432,318	-	-
<b>TOTAL ADDITIONS.....</b>	<b>27,893,941</b>	<b>25,281</b>	<b>161,064</b>
<b>DEDUCTIONS:</b>			
Administration.....	452,661	-	-
Transfers to other systems.....	521,277	-	-
Retirement benefits and refunds.....	14,096,393	-	-
Educational scholarships.....	-	-	74,500
<b>TOTAL DEDUCTIONS.....</b>	<b>15,070,331</b>	<b>-</b>	<b>74,500</b>
<b>CHANGE IN NET POSITION.....</b>	<b>12,823,610</b>	<b>25,281</b>	<b>86,564</b>
<b>NET POSITION AT BEGINNING OF YEAR.....</b>	<b>107,373,544</b>	<b>612,455</b>	<b>2,589,262</b>
<b>NET POSITION AT END OF YEAR.....</b>	<b>\$ 120,197,154</b>	<b>\$ 637,736</b>	<b>\$ 2,675,826</b>

See notes to basic financial statements.

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

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

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

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

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

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

**Availability of Financial Information for Component Units**

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

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

## B. Government-Wide and Fund Financial Statements

### *Government-Wide Financial Statements*

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

### *Fund Financial Statements*

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and displayed in a single column.

#### *Major Fund Criteria*

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

- If the total assets, 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 Plymouth Contributory Retirement System, which accumulates resources to provide pension benefits to eligible retirees and their beneficiaries,

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

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

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

#### D. Cash and Investments

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

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

#### E. Accounts Receivable

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

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

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

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

*Government-Wide Financial Statements (Net Position)*

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

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

I. Interfund Receivables and Payables

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

*Government-Wide Financial Statements*

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

*Fund Financial Statements*

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

J. Interfund Transfers

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

*Government-Wide Financial Statements*

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

## Fund Financial Statements

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

K. 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.

L. Net Position and Fund Equity*Government-Wide Financial Statements (Net position)*

Net position 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 position 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.

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

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

*Fund Financial Statements (Fund Balances)*

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

The governmental fund balance classifications are as follows:

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

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

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

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

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

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

M. Long-term debt*Government-Wide and Proprietary Fund Financial Statements*

Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

*Governmental Fund Financial Statements*

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

N. Investment Income

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

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

O. Compensated Absences

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

*Government-Wide and Proprietary Fund Financial Statements*

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

*Governmental Fund Financial Statements*

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

P. Use of Estimates*Government-Wide and Fund Financial Statements*

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

Q. Individual Fund Deficits

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

R. Total Column*Government-Wide Financial Statements*

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

*Fund Financial Statements*

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

**NOTE 2 – PROPERTY TAX LIMITATION**

The amount that can be raised by the Town tax levy is governed by Proposition 2 ½. The gross tax levy for fiscal year 2013 was \$124,274,398, which was \$9,152,556 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 \$58,169,445 and the bank balance totaled \$61,105,352. Of the bank balance, \$22,172,597 was covered by Federal Depository Insurance, \$2,853,181 was covered by Depositors Insurance Fund, \$6,002,908 was covered by Share Insurance Fund, \$1,011,319 was covered by Securities Investor Protection Corporation Insurance, \$10,417,378 was collateralized, and \$18,647,969 was uninsured and uncollateralized.

At June 30, 2013, the carrying amount of deposits for the other postemployment benefit trust fund totaled \$504,745.

At December 31, 2012, the carrying amount of deposits for the System totaled \$498,148 and the bank balance totaled \$573,895 all of which was covered by Federal Depository Insurance.

At December 31, 2012, the carrying amount of deposits for the Component Unit totaled \$852,727 and the bank balance totaled \$858,077. Of the bank balance, \$681,198 was covered by Federal Depository Insurance, and \$176,879 was uninsured and uncollateralized.

Investments

As of June 30, 2013, the Town of Plymouth had the following investments:

Investment Type	Maturity			
	<u>Fair Value</u>	<u>Under 1 year</u>	<u>6-10 Years</u>	<u>Over 10 Years</u>
<u>Debt Securities</u>				
U.S. Government Agencies.....	\$ 1,504,669	\$ 881,691	\$ 622,978	\$ -
Corporate Bonds.....	<u>522,866</u>	<u>-</u>	<u>-</u>	<u>522,866</u>
Total Debt Securities.....	2,027,535	<u>\$ 881,691</u>	<u>\$ 622,978</u>	<u>\$ 522,866</u>
 <u>Other Investments</u>				
Equity Securities.....	1,663,402			
Money Market Mutual Funds.....	5,042,789			
MMDT.....	<u>59,061</u>			
Total Investments.....	<u>\$ 8,792,787</u>			

As of December 31, 2012, the Retirement System had the following investments:

Investment Type	Maturity	
	<u>Fair Value</u>	<u>6-10 Years</u>
<u>Debt Securities</u>		
Bond Mutual Funds.....	\$ 11,018,322	<u>\$ 11,018,322</u>
 <u>Other Investments</u>		
Equity Securities.....	25,102,373	
Equity Mutual Funds.....	43,374,866	
Pooled Real Estate Funds.....	8,139,092	
Money Market Mutual Funds.....	1,710,010	
Alternative Investment Mutual Funds.....	11,442,534	
International Equity Mutual Funds.....	<u>19,071,453</u>	
Total Investments.....	<u>\$ 119,858,650</u>	

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in possession of an outside party. Of the Town's investments of \$1,504,669 in U.S. Government Agencies, \$1,663,402 in Equity Securities and \$522,866 in Corporate Bonds, the Town has a custodial credit risk exposure of \$3,690,937 because the related securities are uninsured, unregistered and held by the counterparty. The Town will minimize custodial credit risk with the use of reporting services such as Veribanc, Moody's Investors Services, Fitch Rating, and Standard and Poor's.

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

#### Interest Rate Risk

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

The 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, 2013, the Town's investments in U.S. Government Agencies are rated AAA and Corporate Bonds are rated A1, BAA2, and BAA3. 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, 2013, the System does not have any rated investments.

#### Concentration of Credit Risk

The Town will minimize concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of institution will be minimized. The target upper level range of funds concentrated in any institution is 10%. There were no individual investments that exceeded 10% of the total investments at June 30, 2013.

The System places a 5% maximum investment in any one issuer. There were no individual investments that exceeded 5% of the total investments at June 30, 2013.

### **NOTE 4 – RECEIVABLES**

At June 30, 2013, 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:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
<u>Receivables:</u>			
Real estate and personal property taxes...	\$ 3,022,894	\$ (116,000)	\$ 2,906,894
Tax liens.....	1,027,352	-	1,027,352
Motor vehicle and other excise taxes.....	2,460,768	(1,089,000)	1,371,768
Departmental and other.....	32,856	-	32,856
Special assessments.....	518,444	-	518,444
Intergovernmental.....	<u>15,343,085</u>	<u>-</u>	<u>15,343,085</u>
Total.....	<u>\$ 22,405,399</u>	<u>\$ (1,205,000)</u>	<u>\$ 21,200,399</u>

At June 30, 2013, receivables for the enterprise funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Water user fees.....	\$ 1,787,707	\$ -	\$ 1,787,707
Sewer user fees.....	1,583,374	-	1,583,374
Water intergovernmental.....	100,602	-	100,602
Sewer intergovernmental.....	5,383,233	-	5,383,233
Solid Waste Intergovernmental.....	261,306	-	261,306
Solid Waste departmental and other.....	90,000	-	90,000
 Total.....	 <u>\$ 9,206,222</u>	 <u>\$ -</u>	 <u>\$ 9,206,222</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....	\$ 1,580,403	\$ -	\$ -	\$ 1,580,403
Tax liens.....	1,016,182	11,170	-	1,027,352
Motor vehicle and other excise taxes.....	1,371,768	-	-	1,371,768
Departmental and other.....	-	32,856	-	32,856
Special assessments.....	-	-	518,444	518,444
Intergovernmental.....	10,600,443	942,969	2,090,386	13,633,798
Tax foreclosures.....	1,512,973	-	-	1,512,973
	<u>\$ 16,081,769</u>	<u>\$ 986,995</u>	<u>\$ 2,608,830</u>	<u>\$ 19,677,594</u>

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

**Governmental Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 95,437,916	\$ 4,073,300	\$ -	\$ 99,511,216
Construction in progress.....	88,984,664	15,318,580	-	104,303,244
 Total capital assets not being depreciated.....	 184,422,580	 19,391,880	 -	 203,814,460
<u>Capital assets being depreciated:</u>				
Land improvements.....	8,191,145	266,875	-	8,458,020
Buildings.....	111,160,271	1,026,058	-	112,186,329
Machinery and equipment.....	38,553,906	1,329,829	-	39,883,735
Infrastructure.....	72,816,923	2,045,403	-	74,862,326
Vehicles.....	5,257,740	1,166,941	-	6,424,681
 Total capital assets being depreciated.....	 235,979,985	 5,835,106	 -	 241,815,091
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(3,772,029)	(397,682)	-	(4,169,711)
Buildings.....	(50,157,879)	(2,966,592)	-	(53,124,471)
Machinery and equipment.....	(31,464,662)	(1,672,762)	-	(33,137,424)
Infrastructure.....	(41,197,556)	(1,752,935)	-	(42,950,491)
Vehicles.....	(3,540,839)	(549,752)	-	(4,090,591)
 Total accumulated depreciation.....	 (130,132,965)	 (7,339,723)	 -	 (137,472,688)
 Total capital assets being depreciated, net.....	 105,847,020	 (1,504,617)	 -	 104,342,403
 Total governmental activities capital assets, net.....	 \$ 290,269,600	 \$ 17,887,263	 \$ -	 \$ 308,156,863

**Business-Type Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 19,633,192	\$ 20,000	\$ -	\$ 19,653,192
Construction in progress.....	5,394,846	2,012,386	(677,973)	6,729,259
 Total capital assets not being depreciated.....	 25,028,038	 2,032,386	 (677,973)	 26,382,451
<u>Capital assets being depreciated:</u>				
Land improvements.....	8,427,217	-	-	8,427,217
Buildings.....	32,377,102	-	-	32,377,102
Machinery and equipment.....	2,462,297	273,515	-	2,735,812
Vehicles.....	705,819	137,671	-	843,490
Infrastructure.....	73,834,386	1,617,747	-	75,452,133
 Total capital assets being depreciated.....	 117,806,821	 2,028,933	 -	 119,835,754
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(3,553,275)	(378,296)	-	(3,931,571)
Buildings.....	(7,171,508)	(719,036)	-	(7,890,544)
Machinery and equipment.....	(1,303,235)	(183,843)	-	(1,487,078)
Vehicles.....	(487,913)	(67,373)	-	(555,286)
Infrastructure.....	(46,018,057)	(1,366,426)	-	(47,384,483)
 Total accumulated depreciation.....	 (58,533,988)	 (2,714,974)	 -	 (61,248,962)
 Total capital assets being depreciated, net.....	 59,272,833	 (686,041)	 -	 58,586,792
 Total business-type activities capital assets, net.....	 \$ 84,300,871	 \$ 1,346,345	 \$ (677,973)	 \$ 84,969,243

**Component Unit**

<u>Capital assets being depreciated:</u>				
Leasehold improvements.....	\$ 36,890	\$ -	\$ -	\$ 36,890
Machinery and equipment.....	250,972	283,096	-	534,068
Vehicles.....	32,682	-	-	32,682
 Total capital assets being depreciated.....	 320,544	 283,096	 -	 603,640
<u>Less accumulated depreciation for:</u>				
Leasehold improvements.....	(3,689)	(7,378)	-	(11,067)
Machinery and equipment.....	(224,710)	(51,763)	-	(276,473)
Vehicles.....	(4,788)	(6,536)	-	(11,324)
 Total accumulated depreciation.....	 (233,187)	 (65,677)	 -	 (298,864)
 Total capital assets being depreciated, net.....	 \$ 87,357	 \$ 217,419	 \$ -	 \$ 304,776

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

**Governmental Activities:**

General government.....	\$ 499,629
Public safety.....	1,276,124
Education.....	2,779,743
Public works.....	2,530,153
Community preservation.....	27,002
Human services.....	31,762
Culture and recreation.....	<u>195,310</u>

Total depreciation expense - governmental activities..... \$ 7,339,723

**Business-Type Activities:**

Water.....	\$ 1,205,237
Sewer.....	904,992
Airport.....	542,325
Solid Waste.....	<u>62,420</u>

Total depreciation expense - business-type activities..... \$ 2,714,974

**Component Unit Activities:**

Plymouth Growth and Development Corporation.....	<u>\$ 48,659</u>
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**NOTE 6 – INTERFUND TRANSFERS**

Interfund transfers for the fiscal year ended June 30, 2013, are summarized as follows:

Operating Transfers Out:	Operating Transfers In:		
	General Fund	Nonmajor Governmental Funds	Total
General Fund.....	\$	\$ 71,009	\$ 71,009 (1)
Excluded Debt Projects.....	130,195	-	130,195 (2)
Nonmajor Governmental Funds....	1,128,208	-	1,128,208 (3)
Water Enterprise Fund.....	1,102,265	-	1,102,265 (4)
Sewer Enterprise Fund.....	318,110	-	318,110 (4)
Airport Enterprise Fund.....	176,450	-	176,450 (4)
Solid Waste Enterprise Fund.....	<u>270,610</u>	<u>-</u>	<u>270,610 (4)</u>
	<u>\$ 3,125,838</u>	<u>\$ 71,009</u>	<u>\$ 3,196,847</u>

- (1) Budgeted transfers from the General Fund to the nonmajor funds.
- (2) Budgeted transfer from excluded debt project fund to fund the fiscal year 2013 general fund operating budget.
- (3) Transfers from the nonmajor funds to fund the fiscal year 2013 General Fund operating budget.
- (4) Transfers from the Enterprise Funds to the General Fund for the reimbursement of indirect costs and debt service.

**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, 2013, are as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2012	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2013
<b>Governmental Funds</b>							
BAN	General Obligation.....	1.50	05/08/13	\$ 22,908,600	\$ -	\$ (22,908,600)	\$ -
BAN	MWPAT Interim Note.....	0.00	03/01/14	-	120,000	-	120,000
BAN	General Obligation.....	0.40	05/07/14	-	400,000	-	400,000
BAN	General Obligation.....	0.45	05/07/14	-	305,000	-	305,000
Total Governmental.....				\$ 22,908,600	\$ 825,000	\$ (22,908,600)	\$ 825,000

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2012	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2013
<b>Enterprise Funds</b>							
BAN	General Obligation.....	0.70	05/08/13	\$ 800,000	\$ -	\$ (800,000)	\$ -

**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, 2013, and the debt service requirements are as follows:

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

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2012	Issued	Redeemed	Outstanding at June 30, 2013
FY1998 Municipal Purpose Bonds.....	2013	\$ 2,675,000	4.15 - 5.75	\$ 175,000	\$ -	\$ 175,000	\$ -
Title V - MWPAT (T5-97-1029).....	2017	199,807	4.00	55,502	-	11,100	44,402
Title V - MWPAT (T5-97-1029-1).....	2021	164,236	0.00	81,524	-	7,945	73,579
Title V - MWPAT (T5-97-1029-2).....	2025	185,254	4.94	118,575	-	9,525	109,050
FY2008 Title V - MWPAT.....	2028	600,000	0.00	510,000	-	20,000	490,000
FY2009 Municipal Purpose Bonds.....	2029	28,486,501	2.00 - 5.00	19,490,834	-	2,100,417	17,390,417
FY2009 Municipal Purpose Bonds (Refunding)...	2021	17,712,075	3.00 - 5.00	15,209,650	-	2,369,300	12,840,350
FY2010 Title V - MWPAT.....	2028	400,000	0.00	400,000	-	-	400,000
FY2011 Municipal Purpose Bonds.....	2036	39,450,000	2.00 - 5.00	37,810,000	-	1,640,000	36,170,000
FY2012 Title V - MWPAT.....	2028	400,000	0.00	400,000	-	-	400,000
FY2013 Municipal Purpose Bonds.....	2038	23,674,000	3.00 - 5.00	-	23,674,000	-	23,674,000
Total Governmental Bonds Payable.....				\$ 74,251,085	\$ 23,674,000	\$ 6,333,287	\$ 91,591,798

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

Fiscal Year	Principal	Interest	Total
2014.....	\$ 7,077,566	\$ 3,976,415	\$ 11,053,981
2015.....	6,536,830	3,761,729	10,298,559
2016.....	6,469,334	3,474,806	9,944,140
2017.....	6,223,364	3,177,413	9,400,777
2018.....	6,077,294	2,898,915	8,976,209
2019.....	5,807,321	2,626,480	8,433,801
2020.....	5,788,248	2,364,884	8,153,132
2021.....	4,573,275	2,123,440	6,696,715
2022.....	3,988,438	1,928,018	5,916,456
2023.....	3,938,468	1,743,918	5,682,386
2024.....	3,718,332	1,551,793	5,270,125
2025.....	3,708,332	1,390,393	5,098,725
2026.....	3,703,332	1,220,368	4,923,700
2027.....	3,648,332	1,059,618	4,707,950
2028.....	3,498,332	901,068	4,399,400
2029.....	2,120,000	747,215	2,867,215
2030.....	2,000,000	651,018	2,651,018
2031.....	2,000,000	559,918	2,559,918
2032.....	1,965,000	468,262	2,433,262
2033.....	1,965,000	378,356	2,343,356
2034.....	1,965,000	293,594	2,258,594
2035.....	1,965,000	206,932	2,171,932
2036.....	1,965,000	120,268	2,085,268
2037.....	445,000	31,150	476,150
2038.....	445,000	15,587	460,587
Total.....	\$ 91,591,798	\$ 37,671,558	\$ 129,263,356

The Town is scheduled to be subsidized by the Massachusetts Water Pollution Abatement Trust (MWPAT) on a periodic basis for interest costs of \$52,035. Thus, net MWPAT loan repayments, including interest, are scheduled to be \$227,028. 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 2013 interest subsidy totaled \$12,841.

The Commonwealth has approved school construction assistance. The assistance program, which is administered by the Massachusetts School Building Authority (MSBA), provides resources for future debt service of general obligation school bonds outstanding. During fiscal year 2013, approximately \$1,637,000 of such assistance was received. Approximately \$12,115,000 will be received in future fiscal years. Of this amount, approximately \$1,515,000 represents reimbursement of long-term interest costs, and approximately \$10,600,000 represents reimbursement of approved construction costs. Accordingly, a \$10,600,000 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 \$46,225,000. As of June 30, 2013, the Town has recognized revenue of \$35,410,000 and expects to receive \$10,815,000 in future fiscal years.

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

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2012	Issued	Redeemed	Outstanding at June 30, 2013
FY2004 MWPAT.....	2024	\$ 480,794	0.00	\$ 230,326	\$ -	\$ 14,999	\$ 215,327
FY2005 MWPAT (Refunding).....	2023	26,944,600	4.64 - 5.10	21,320,922	-	2,052,890	19,268,032
FY2009 Sewer Bonds (Refunding).....	2016	461,350	3.00 - 5.00	399,150	-	120,000	279,150
FY2009 Sewer Bonds.....	2023	946,000	2.00 - 5.00	728,215	-	68,929	659,286
FY2011 Sewer Bonds.....	2031	800,000	2.00 - 5.00	760,000	-	40,000	720,000
Sub-Total sewer bonds payable.....				23,438,613	-	2,296,818	21,141,795
FY2004 Water Bonds (Refunding).....	2021	617,142	5.09	370,000	-	35,000	335,000
FY2009 Water Bonds (Refunding).....	2016	102,500	3.00 - 5.00	81,500	-	21,000	60,500
FY2009 Water Bonds.....	2029	5,853,849	2.00 - 5.00	4,560,000	-	420,000	4,140,000
FY2011 Water Bonds.....	2031	1,345,000	2.00 - 5.00	1,275,000	-	70,000	1,205,000
FY2013 Water Bonds.....	2023	800,000	0.00	-	800,000	-	800,000
Sub-Total water bonds payable.....				6,286,500	800,000	546,000	6,540,500
FY2005 Solid Waste Bonds.....	2021	1,100,000	5.31 - 5.32	1,005,000	-	95,000	910,000
FY2009 Solid Waste Bonds.....	2024	752,650	2.00 - 5.00	224,167	-	119,583	104,584
FY2009 Solid Waste Bonds (Refunding).....	2013	101,175	3.00 - 5.00	24,700	-	24,700	-
Sub-Total solid waste bonds payable.....				1,253,867	-	239,283	1,014,584
Total Enterprise Bonds Payable.....				\$ 30,978,980	\$ 800,000	\$ 3,082,101	\$ 28,696,879

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>
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.....	738,334	44,825	783,159
2024.....	94,520	24,226	118,746
2025.....	70,000	20,413	90,413
2026.....	70,000	16,913	86,913
2027.....	70,000	13,713	83,713
2028.....	70,000	10,513	80,513
2029.....	70,000	7,275	77,275
2030.....	40,000	4,000	44,000
2031.....	40,000	2,000	42,000
Total.....	<u>\$ 21,141,795</u>	<u>\$ 4,704,175</u>	<u>\$ 25,845,970</u>

**WATER ENTERPRISE FUND, DEBT SERVICE PAYMENTS**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014.....	\$ 615,500	\$ 246,150	\$ 861,650
2015.....	620,000	229,221	849,221
2016.....	615,000	204,178	819,178
2017.....	585,000	181,810	766,810
2018.....	440,000	159,880	599,880
2019.....	410,000	143,500	553,500
2020.....	410,000	128,769	538,769
2021.....	395,000	115,544	510,544
2022.....	350,000	102,969	452,969
2023.....	350,000	91,519	441,519
2024.....	270,000	78,018	348,018
2025.....	270,000	66,572	336,572
2026.....	270,000	53,068	323,068
2027.....	270,000	41,618	311,618
2028.....	270,000	30,168	300,168
2029.....	270,000	18,462	288,462
2030.....	65,000	6,500	71,500
2031.....	65,000	3,250	68,250
Total.....	<u>\$ 6,540,500</u>	<u>\$ 1,901,196</u>	<u>\$ 8,441,696</u>

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>1,014,584 \$</u>	<u>207,045 \$</u>	<u>1,221,629</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 \$5,745,145 and interest costs for \$3,301,426. Thus, net MWPAT loan repayments, including interest, are scheduled to be \$13,846,319. 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 \$5,383,233, \$100,602, and \$261,306 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 2013 principal subsidies recognized in the Sewer Enterprise, Water Enterprise, and Solid Waste Enterprise Funds are \$463,115, \$9,324 and \$30,461, respectively. The fiscal year 2013 interest subsidies are \$831,808, \$12,837 and \$37,318, 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, 2013, the Town had the following authorized and unissued debt:

<u>Purpose</u>	<u>Amount</u>
Beach Improvements.....	\$ 2,727,000
Title V.....	180,000
West Elementary HVAC.....	500,000
School and Senior Center.....	112,325,591
Wannos Pond Well & Pump.....	100,000
PSMS Repair Brick Veneer.....	876,000
Indian Brook HVAC.....	900,000
PCIS School Roof.....	3,650,000
Beach Property.....	4,400
Culvert and Bridge Construction.....	2,400,000
T-Wharf Construction.....	1,250,000
Engine 7.....	560,000
Brush Breaker.....	405,000
Federal Furnace HVAC.....	7,150,000
Samoset Street Sewer.....	700,000
Sewer Interceptor.....	1,549,800
Water Main Jacket.....	2,750,000
Total.....	<u>\$ 138,027,791</u>

Changes in Long-Term Liabilities

During the fiscal year ended June 30, 2013, the following changes occurred in long-term liabilities:

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Current Portion
<b>Governmental Activities:</b>					
Long-Term Bonds.....	\$ 74,251,085	\$ 23,674,000	\$ (6,333,287)	\$ 91,591,798	\$ 7,077,566
Compensated Absences.....	1,548,000	245,800	(154,800)	1,639,000	163,900
Other postemployment Benefits.....	71,026,895	31,593,558	(14,230,519)	88,389,934	-
Unamortized Premiums on Bonds.....	4,778,936	2,707,051	(554,389)	6,931,598	791,634
Total governmental activity long-term liabilities.....	<u>\$ 151,604,916</u>	<u>\$ 58,220,409</u>	<u>\$ (21,272,995)</u>	<u>\$ 188,552,330</u>	<u>\$ 8,033,100</u>
<b>Business-Type Activities:</b>					
Long-Term Bonds.....	\$ 30,978,980	\$ 800,000	\$ (3,082,101)	\$ 28,696,879	\$ 3,243,821
Compensated Absences.....	121,000	3,100	(12,100)	112,000	11,200
Landfill Closure.....	850,000	-	(50,000)	800,000	50,000
Other postemployment Benefits.....	1,715,786	760,119	(333,963)	2,141,942	-
Unamortized Premiums on Bonds.....	179,751	132,307	(22,510)	289,548	43,368
Total business-type activity long-term liabilities.....	<u>\$ 33,845,517</u>	<u>\$ 1,695,526</u>	<u>\$ (3,500,674)</u>	<u>\$ 32,040,369</u>	<u>\$ 3,348,389</u>

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

**NOTE 9 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS**

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

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

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

As of June 30, 2013, the governmental fund balances consisted of the following:

	GOVERNMENTAL FUNDS				
	General	Community Preservation	Excluded Debt Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>FUND BALANCES</b>					
Nonspendable:					
Permanent Fund Principal.....	\$ -	\$ -	\$ -	\$ 1,318,376	\$ 1,318,376
Restricted for:					
Community preservation.....	-	2,623,440	-	-	2,623,440
Unamortized premiums on long-term debt.....	2,724,636	-	-	-	2,724,636
Town Capital Projects.....	-	-	-	685,618	685,618
Infrastructure Management Projects.....	-	-	-	22,115	22,115
Town Federal Grants.....	-	-	-	695,035	695,035
Town State Grants.....	-	-	-	1,106,898	1,106,898
Town Revolving.....	-	-	-	2,780,954	2,780,954
Town Gifts.....	-	-	-	840,487	840,487
Town Title V.....	-	-	-	672,110	672,110
Town Other.....	-	-	-	1,051,166	1,051,166
School Lunch.....	-	-	-	155,635	155,635
School State Grants.....	-	-	-	1,359,086	1,359,086
School Revolving.....	-	-	-	1,907,775	1,907,775
Permanent Funds.....	-	-	-	342,905	342,905
Committed to:					
General government.....	149,124	-	-	-	149,124
Public safety.....	110,437	-	-	-	110,437
Education.....	276,653	-	-	-	276,653
Public works.....	174,705	-	-	-	174,705
Culture and recreation.....	4,800	-	-	-	4,800
Assigned to:					
General government.....	227,612	-	-	-	227,612
Public safety.....	15,411	-	-	-	15,411
Education.....	412,502	-	-	-	412,502
Public works.....	46,281	-	-	-	46,281
Human services.....	10,545	-	-	-	10,545
Culture and recreation.....	89	-	-	-	89
Employee benefits.....	40,810	-	-	-	40,810
Free cash used for subsequent year budget.....	4,380,805	-	-	-	4,380,805
Unassigned.....	19,865,173	-	(649,989)	(309,479)	18,905,705
<b>TOTAL FUND BALANCES.....</b>	<b>\$ 28,439,583</b>	<b>\$ 2,623,440</b>	<b>\$ (649,989)</b>	<b>\$ 12,628,681</b>	<b>\$ 43,041,715</b>

**NOTE 10 - STABILIZATION FUND**

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

At fiscal year end, the balance of the General Stabilization Fund is \$8,733,473 and is reported as unassigned fund balance within the General Fund. During fiscal year 2013, the fund earned \$249 thousand of investment income. 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 7% of claims paid average. The Town purchases individual stop loss insurance for claims in excess of the coverage provided by the Town in the amount of \$150,000. At June 30, 2013, the amount of the liability for health and dental insurance claims totaled \$2,096,000. This liability is the best estimate based on available information. Changes in the reported liability since July 1, 2011, 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 2012.....	\$ 2,254,923	\$ 34,960,442	\$ (34,809,365)	\$ 2,406,000
Fiscal Year 2013.....	2,406,000	31,450,872	(31,760,872)	2,096,000

**NOTE 12 - PENSION PLAN**

*Plan Description* - The Town contributes to the System, a cost-sharing multiple-employer defined benefit pension plan administered by the Plymouth Contributory Retirement Board. Substantially all employees are members of the System, except for public school teachers and certain administrators who are members of the Massachusetts Teachers Retirement System, to which the Town does not contribute. Pension benefits and administrative expenses paid by the Teachers Retirement Board are the legal responsibility of the Commonwealth. The amount of these on-behalf payments totaled approximately \$15,178,000 for the fiscal year ended June 30, 2013, 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, 2012, the System's membership consists of the following:

Active members.....	878
Inactive members.....	228
Disabled members.....	82
Retirees and beneficiaries currently receiving benefits.....	<u>543</u>
Total.....	<u><u>1,731</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, 2013, 2012, and 2011 were \$8,549,198, \$7,902,283, and \$7,466,061, respectively, which equaled its required contribution for each fiscal year. At June 30, 2013, the Town did not have a net pension obligation. The required contribution was determined as part of the January 1, 2013, actuarial valuation using the entry age normal cost method. The actuarial assumptions included a 7.75% investment rate of return and projected salary increases of 4.25%, 4.50%, and 4.75% for groups 1, 2, and 4 respectively, per year. The value of the System's assets was determined using the actuarial value of the assets with a 4 year smoothing. The System's unfunded actuarial accrued liability is being amortized at 8%, increasing total cost per year. The remaining amortization period at January 1, 2013, was 19 years.

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

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

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

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

*Plan Description* - The Town of Plymouth administers a single-employer defined benefit healthcare plan (“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, 2011 actuarial, the Plan’s membership consisted of the following:

Current retirees, beneficiaries, and dependents.....	1,445
Current active members.....	<u>1,323</u>
 Total.....	 <u><u>2,768</u></u>

*Funding Policy*—Contribution requirements are also negotiated between the Town and union representatives. Retired plan members and beneficiaries currently receiving benefits are required to contribute 1%, 10%, or 20% of the cost of benefits provided and the Town contributes the remaining premium costs. Administrative costs of the Plan are assumed to be included in the fully insured premium rates. For fiscal year 2013, contributions to the plan, totaled approximately \$14,564,000.

*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.....	\$ 32,520,726
Interest on existing net OPEB obligation.....	3,091,564
Adjustments to annual required contribution.....	<u>(3,258,613)</u>
 Annual OPEB cost (expense).....	 32,353,677
 Contributions made.....	 <u>(14,564,482)</u>
 Increase/Decrease in net OPEB obligation.....	 17,789,195
 Net OPEB obligation - beginning of year.....	 <u>72,742,681</u>
 Net OPEB obligation - end of year.....	 <u><u>\$ 90,531,876</u></u>

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	\$ 32,353,677	44.8%	\$ 90,531,876
6/30/2012	30,532,941	43.9%	72,742,681
6/30/2011	33,168,945	46.8%	55,622,467

*Funded Status and Funding Progress* - The funded status of the Plan as of the most recent actuarial valuation date, January 1, 2011, is as follows:

Actuarial Valuation Date	Value of Assets (A)	Liability (AAL) Projected Unit Credit (B)	AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	of Covered Payroll ((B-A)/C)
1/1/2011	\$ -	\$ 390,817,000	\$ 390,817,000	0.00%	\$ 79,643,000	490.71%
1/1/2009	-	379,285,000	379,285,000	0.00%	90,445,000	419.35%
7/1/2006	-	264,991,414	264,991,414	0.00%	82,014,000	323.11%

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, 2011, 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 5 percent in year 2041. 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 3.25% per year. The remaining amortization period at January 1, 2013 is 25 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 \$800,000.

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 2013 were approximately \$301,000.

The Town has entered into, or is planning to enter into, contracts totaling approximately \$138,000,000 for construction of a school and senior center, for various beach improvements, for school roof and HVAC repairs, 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, 2013, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2013, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2013.

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

During fiscal year 2013, the following GASB pronouncements were implemented:

- GASB Statement #60, *Accounting and Financial Reporting for Service Concession Arrangements*. The implementation of this pronouncement did not impact the basic financial statements.
- GASB Statement #61, *The Financial Reporting Entity: Omnibus*. The implementation of this pronouncement did not impact the basic financial statements.
- GASB Statement #63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Financial statement changes include net assets changing to net position and invested in capital assets, net of related debt changing to net investment in capital assets. Notes to the basic financial statements were changed to provide additional disclosure on deferred outflows of resources and deferred inflows of resources.
- GASB Statement #66, *Technical Corrections – 2012, an amendment of GASB Statements No. 10 and No. 62*. The implementation of this pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in future fiscal years:

- The GASB issued Statement #65, *Items Previously Reported as Assets and Liabilities*, which is required to be implemented in fiscal year 2014.
- The GASB issued Statement #67, *Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25*, which is required to be implemented in fiscal year 2014.
- The GASB issued Statement #68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, which is required to be implemented in fiscal year 2015.
- The GASB issued Statement #69, *Government Combinations and Disposals of Government Operations*, which is required to be implemented in fiscal year 2015.
- The GASB issued Statement #70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, which is required to be implemented in fiscal year 2014.
- The GASB issued Statement #71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which is required to be implemented simultaneously with Statement #68.

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

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# ***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, 2013

	Budgeted Amounts			Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Amounts Carried forward From Prior Year	Original Budget	Final Budget			
<b>REVENUES:</b>						
Real estate and personal property taxes, net of tax refunds.....	\$ -	\$ 122,858,740	\$ 123,284,968	\$ 122,723,207	\$ -	\$ (561,761)
Tax liens.....	-	-	-	827,057	-	827,057
Motor vehicle and other excise taxes.....	-	6,300,323	6,300,323	6,848,414	-	548,091
Penalties and interest on taxes.....	-	612,720	612,720	715,245	-	102,525
Payments in lieu of taxes.....	-	53,579	53,579	69,883	-	16,304
Intergovernmental - federal.....	-	392,965	392,965	550,291	-	157,326
Intergovernmental - state.....	-	30,376,054	30,376,054	30,506,063	-	130,009
Departmental and other.....	-	4,398,725	4,398,725	5,313,591	-	914,866
Investment income.....	-	300,000	300,000	245,127	-	(54,873)
<b>TOTAL REVENUES.....</b>	<b>-</b>	<b>165,293,106</b>	<b>165,719,334</b>	<b>167,798,878</b>	<b>-</b>	<b>2,079,544</b>
<b>EXPENDITURES:</b>						
Current:						
General government.....	989,583	9,066,919	9,476,886	8,973,231	376,736	126,919
Public safety.....	137,530	19,957,430	20,168,125	18,618,701	125,848	1,423,576
Education.....	1,010,418	84,704,959	85,336,862	83,915,109	689,155	732,598
Public works.....	763,842	8,091,357	8,155,416	6,962,201	220,986	972,229
Human services.....	10,210	1,534,510	1,534,510	1,478,281	10,545	45,684
Culture and recreation.....	57,471	2,560,248	2,560,248	2,357,127	4,889	198,232
Pension benefits.....	-	8,549,198	8,550,277	8,550,277	-	-
Employee benefits.....	40,000	29,429,249	29,582,932	29,523,165	40,810	18,957
State and county charges.....	-	954,676	954,676	966,024	-	(11,348)
Debt service:						
Principal.....	-	6,383,288	6,343,288	6,333,287	-	10,001
Interest.....	-	4,005,161	3,607,849	3,602,191	-	5,658
<b>TOTAL EXPENDITURES.....</b>	<b>3,009,054</b>	<b>175,236,995</b>	<b>176,271,069</b>	<b>171,279,594</b>	<b>1,468,969</b>	<b>3,522,506</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(3,009,054)</b>	<b>(9,943,889)</b>	<b>(10,551,735)</b>	<b>(3,480,716)</b>	<b>(1,468,969)</b>	<b>5,602,050</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Premium from issuance of bonds.....	-	-	-	1,832,051	-	1,832,051
Transfers in.....	-	2,871,292	3,125,838	3,125,838	-	-
Transfers out.....	-	(562,327)	(633,336)	(633,336)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>2,308,965</b>	<b>2,492,502</b>	<b>4,324,553</b>	<b>-</b>	<b>1,832,051</b>
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>(3,009,054)</b>	<b>(7,634,924)</b>	<b>(8,059,233)</b>	<b>843,837</b>	<b>(1,468,969)</b>	<b>7,434,101</b>
<b>BUDGETARY FUND BALANCE, Beginning of year.....</b>	<b>-</b>	<b>19,161,273</b>	<b>19,161,273</b>	<b>19,161,273</b>	<b>-</b>	<b>-</b>
<b>BUDGETARY FUND BALANCE, End of year.....</b>	<b>\$ (3,009,054)</b>	<b>\$ 11,526,349</b>	<b>\$ 11,102,040</b>	<b>\$ 20,005,110</b>	<b>\$ (1,468,969)</b>	<b>\$ 7,434,101</b>

See notes to required supplementary information.

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

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

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

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

OTHER POSTEMPLOYMENT BENEFIT PLAN  
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

**Schedule of Funding Progress**

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

**Schedule of Employer Contributions**

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

See notes to required supplementary information.

OTHER POSTEMPLOYMENT BENEFIT PLAN  
ACTUARIAL METHODS AND ASSUMPTIONS

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Actuarial Methods:

Valuation date.....	January 1, 2011
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Amortization payments increasing at 3.25%
Remaining amortization period.....	25 years as of January 1, 2013, closed
Actuarial Assumptions:	
Investment rate of return.....	4.25%, pay-as-you-go scenario
Projected salary increases.....	3.3%
Medical/drug cost trend rate.....	11% decreasing to 6% in year 2040 and by 0.50% for 1 year to an ultimate level of 5.0% per year

Plan Membership:

Current retirees, beneficiaries, and dependents.....	1,445
Current active members.....	<u>1,323</u>
Total.....	<u><u>2,768</u></u>

See notes to required supplementary information.

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

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

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

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

Generally, expenditures may not exceed the legal level of spending (salaries, expenses and capital) authorized for an appropriation account. However, the payment of debt service is statutorily required, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final 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 2013 approved budget authorized approximately \$176 million of appropriations and other amounts to be raised. During fiscal year 2013, the Town meeting also approved appropriation increases totaling approximately \$1.1 million.

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

**B. Budgetary - GAAP Reconciliation**

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the fiscal year ended June 30, 2013, is presented below:

Excess (deficiency) of revenues and other financing sources (uses) over expenditures - budgetary basis.....	\$ 843,837
<u>Perspective difference:</u>	
Stabilization Fund recorded in the General Fund for GAAP.....	811,723
<u>Basis of accounting differences:</u>	
Net change in recording tax refunds payable.....	287,000
Recognition of revenue for on-behalf payments.....	15,177,898
Recognition of expenditures for on-behalf payments.....	<u>(15,177,898)</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - GAAP basis.....	<u>\$ 1,942,560</u>

C. Appropriation Deficits

During fiscal year 2013, expenditures exceeded budgeted appropriations for state and county charges. This is based on state assessments which are not required to be raised.

**NOTE B - OTHER POSTEMPLOYMENT BENEFITS**

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

The Town currently finances its other postemployment benefits (OPEB) on a pay-as-you-go basis. 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 POSITION -**  
**BUDGET AND ACTUAL - UNAUDITED**

FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts			Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Amounts Carried forward From Prior Year	Original Budget	Final Budget			
<b>REVENUES:</b>						
Utility user charges.....	\$ -	\$ 3,915,320	\$ 3,915,320	\$ 3,935,053	\$ -	\$ 19,733
Other departmental revenue.....	-	170,000	170,000	241,796	-	71,796
Investment income.....	-	47,307	47,307	57,487	-	10,180
<b>TOTAL REVENUES.....</b>	<b>-</b>	<b>4,132,627</b>	<b>4,132,627</b>	<b>4,234,336</b>	<b>-</b>	<b>101,709</b>
<b>EXPENDITURES:</b>						
Salary and wages.....	-	1,021,834	1,004,334	894,725	-	109,609
Other expenses.....	29,175	1,231,381	1,260,556	966,024	117,678	176,854
Debt service.....	-	789,840	794,647	792,645	-	2,002
Capital non-borrowing.....	-	1,405,000	1,405,000	843,858	115,937	445,205
<b>TOTAL EXPENDITURES.....</b>	<b>29,175</b>	<b>4,448,055</b>	<b>4,464,537</b>	<b>3,497,252</b>	<b>233,615</b>	<b>733,670</b>
<b>EXCESS (DEFICIENCY) OF</b>						
<b>REVENUES OVER EXPENDITURES.....</b>	<b>(29,175)</b>	<b>(315,428)</b>	<b>(331,910)</b>	<b>737,084</b>	<b>(233,615)</b>	<b>835,379</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Premium from issuance of bonds.....	-	-	-	132,307	-	132,307
Transfers in - Other Funds.....	-	-	-	123,368	-	123,368
Transfers out - general fund for indirect costs.....	-	(1,102,265)	(1,102,265)	(1,102,265)	-	-
Transfers out - enterprise capital/grant fund.....	-	-	-	(122,977)	-	(122,977)
<b>TOTAL OTHER FINANCING SOURCES (USES)....</b>	<b>-</b>	<b>(1,102,265)</b>	<b>(1,102,265)</b>	<b>(969,567)</b>	<b>-</b>	<b>132,698</b>
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>(29,175)</b>	<b>(1,417,693)</b>	<b>(1,434,175)</b>	<b>(232,483)</b>	<b>(233,615)</b>	<b>968,077</b>
<b>BUDGETARY FUND BALANCE, Beginning of year.....</b>	<b>-</b>	<b>3,450,628</b>	<b>3,450,628</b>	<b>3,450,628</b>	<b>-</b>	<b>-</b>
<b>BUDGETARY FUND BALANCE, End of year.....</b>	<b>\$ (29,175)</b>	<b>\$ 2,032,935</b>	<b>\$ 2,016,453</b>	<b>\$ 3,218,145</b>	<b>\$ (233,615)</b>	<b>\$ 968,077</b>

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

FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts			Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Amounts Carried forward From Prior Year	Original Budget	Final Budget			
<b>REVENUES:</b>						
Utility user charges.....	\$ -	\$ 4,096,973	\$ 4,096,973	\$ 4,061,684	\$ -	\$ (35,289)
Other departmental revenue.....	-	708,000	708,000	804,863	-	96,863
Investment income.....	-	18,000	18,000	23,479	-	5,479
<b>TOTAL REVENUES.....</b>	<b>-</b>	<b>4,822,973</b>	<b>4,822,973</b>	<b>4,890,026</b>	<b>-</b>	<b>67,053</b>
<b>EXPENDITURES:</b>						
Salary and wages.....	-	313,353	330,853	239,079	-	91,774
Other expenses.....	200,966	1,910,223	2,111,189	1,906,751	160,783	43,655
Debt service.....	-	2,263,787	2,263,787	2,261,781	-	2,006
Capital non-borrowing.....	242	460,500	460,742	232,915	88,938	138,889
<b>TOTAL EXPENDITURES.....</b>	<b>201,208</b>	<b>4,947,863</b>	<b>5,166,571</b>	<b>4,640,526</b>	<b>249,721</b>	<b>276,324</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(201,208)</b>	<b>(124,890)</b>	<b>(343,598)</b>	<b>249,500</b>	<b>(249,721)</b>	<b>343,377</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers out - general fund for indirect costs.....	-	(318,110)	(318,110)	(318,110)	-	-
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>(201,208)</b>	<b>(443,000)</b>	<b>(661,708)</b>	<b>(68,610)</b>	<b>(249,721)</b>	<b>343,377</b>
<b>BUDGETARY FUND BALANCE, Beginning of year.....</b>	<b>-</b>	<b>2,368,565</b>	<b>2,368,565</b>	<b>2,368,565</b>	<b>-</b>	<b>-</b>
<b>BUDGETARY FUND BALANCE, End of year.....</b>	<b>\$ (201,208)</b>	<b>\$ 1,925,565</b>	<b>\$ 1,706,857</b>	<b>\$ 2,299,955</b>	<b>\$ (249,721)</b>	<b>\$ 343,377</b>

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

FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts			Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Amounts Carried forward From Prior Year	Original Budget	Final Budget			
<b>REVENUES:</b>						
Utility user charges.....	\$ -	\$ 2,144,486	\$ 2,144,486	\$ 1,981,169	\$ -	\$ (163,317)
Other departmental revenue.....	-	283,000	283,000	304,245	-	21,245
Intergovernmental.....	-	-	-	53,904	-	53,904
Investment income.....	-	1,500	1,500	1,254	-	(246)
<b>TOTAL REVENUES.....</b>	<b>-</b>	<b>2,428,986</b>	<b>2,428,986</b>	<b>2,340,572</b>	<b>-</b>	<b>(88,414)</b>
<b>EXPENDITURES:</b>						
Salary and wages.....	-	438,195	438,195	379,547	-	58,648
Other expenses.....	-	1,817,430	1,817,430	1,634,819	-	182,611
Capital non-borrowing.....	-	58,000	430,590	60,875	-	369,715
<b>TOTAL EXPENDITURES.....</b>	<b>-</b>	<b>2,313,625</b>	<b>2,686,215</b>	<b>2,075,241</b>	<b>-</b>	<b>610,974</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>-</b>	<b>115,361</b>	<b>(257,229)</b>	<b>265,331</b>	<b>-</b>	<b>522,560</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers out - general fund for indirect costs.....	-	(173,361)	(173,361)	(173,361)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>(173,361)</b>	<b>(173,361)</b>	<b>(173,361)</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>-</b>	<b>(58,000)</b>	<b>(430,590)</b>	<b>91,970</b>	<b>-</b>	<b>522,560</b>
<b>BUDGETARY FUND BALANCE, Beginning of year.....</b>	<b>-</b>	<b>584,435</b>	<b>584,435</b>	<b>584,435</b>	<b>-</b>	<b>-</b>
<b>BUDGETARY FUND BALANCE, End of year.....</b>	<b>\$ -</b>	<b>\$ 526,435</b>	<b>\$ 153,845</b>	<b>\$ 676,405</b>	<b>\$ -</b>	<b>\$ 522,560</b>

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

FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts			Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Amounts Carried forward From Prior Year	Original Budget	Final Budget			
<b>REVENUES:</b>						
Utility user charges.....	\$ -	\$ 1,445,637	\$ 1,445,637	\$ 1,633,461	\$ -	\$ 187,824
Other departmental revenue.....	-	150,000	150,000	176,069	-	26,069
Investment income.....	-	5,000	5,000	4,932	-	(68)
<b>TOTAL REVENUES.....</b>	<b>-</b>	<b>1,600,637</b>	<b>1,600,637</b>	<b>1,814,462</b>	<b>-</b>	<b>213,825</b>
<b>EXPENDITURES:</b>						
Salary and wages.....	-	284,417	284,417	282,149	-	2,268
Other expenses.....	82,351	811,875	894,226	637,917	155,673	100,636
Debt service.....	-	233,735	233,735	233,730	-	5
Capital non-borrowing.....	3,300	432,240	435,540	175,515	30,870	229,155
<b>TOTAL EXPENDITURES.....</b>	<b>85,651</b>	<b>1,762,267</b>	<b>1,847,918</b>	<b>1,329,311</b>	<b>186,543</b>	<b>332,064</b>
<b>EXCESS (DEFICIENCY) OF</b>						
<b>REVENUES OVER EXPENDITURES.....</b>	<b>(85,651)</b>	<b>(161,630)</b>	<b>(247,281)</b>	<b>485,151</b>	<b>(186,543)</b>	<b>545,889</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in - recycling program.....	-	-	-	24,276	-	24,276
Transfers out - general fund for indirect costs.....	-	(270,610)	(270,610)	(270,610)	-	-
Transfers out - enterprise stabilization fund.....	-	-	(300,000)	(300,000)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>(270,610)</b>	<b>(570,610)</b>	<b>(546,334)</b>	<b>-</b>	<b>24,276</b>
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>(85,651)</b>	<b>(432,240)</b>	<b>(817,891)</b>	<b>(61,183)</b>	<b>(186,543)</b>	<b>570,165</b>
<b>BUDGETARY FUND BALANCE, Beginning of year.....</b>	<b>-</b>	<b>1,258,354</b>	<b>1,258,354</b>	<b>1,258,354</b>	<b>-</b>	<b>-</b>
<b>BUDGETARY FUND BALANCE, End of year.....</b>	<b>\$ (85,651)</b>	<b>\$ 826,114</b>	<b>\$ 440,463</b>	<b>\$ 1,197,171</b>	<b>\$ (186,543)</b>	<b>\$ 570,165</b>