

TOWN OF PLYMOUTH, MASSACHUSETTS

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

YEAR ENDED JUNE 30, 2015

TOWN OF PLYMOUTH, MASSACHUSETTS

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JUNE 30, 2015

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Independent Auditor's Report

To the Honorable Board of Selectmen
Town of Plymouth, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Plymouth, Massachusetts, as of and for the year ended June 30, 2015 (except for the Plymouth Contributory Retirement System which is as of and for the year ended December 31, 2014), 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 unit. 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, 2015 (except for the Plymouth Contributory Retirement System and the Plymouth Growth & Development Corporation which are as of and for the year ended December 31, 2014), 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2016, 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 18, 2016

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the Town of Plymouth, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2015.

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, education, public works, human services, culture and recreation, community preservation, and interest. The business-type activities include the water, sewer, airport, and solid waste activities.

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

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on *near-term inflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The Town of Plymouth adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

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

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

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. The Town uses internal service funds to account for health insurance activities and employee benefit programs. Because these services predominately benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements 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 and deferred outflows exceeded liabilities by \$47.4 million at the close of 2015.

Governmental net position of \$232.7 million reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, vehicles and infrastructure), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position, \$6.9 million, represents resources that are subject to external restrictions on how they may be used. The Town has \$54.9 million of *unrestricted net position* without considering the recorded liabilities related to the net pension liability and postemployment healthcare obligation. The liabilities of \$115.7 million and \$131.3 million, respectively, are long-term in nature, and will not be funded from the \$54.9 million of unrestricted net position at June 30, 2015.

The governmental activities net position decreased by \$11.6 million in 2015. Contributing to the current year decrease is the fact that there was a \$21.8 million increase in the liability for other postemployment benefits and an increase of \$5.3 million in the net pension liability. These decreases were offset by the recognition of \$6.2 million of capital grants, the recognition of \$3.2 million of pension related deferred outflows, an internal service fund surplus of \$1.0 million, and capital assets paid for with current year revenues.

Education expenses and operating grants decreased by approximately \$7.4 million for on-behalf payments made by the Commonwealth of Massachusetts for teacher retirement benefits as a result of being measured on a different basis than in 2014 due to the implementation of GASB Statements mentioned below.

Condensed financial data for 2015 and 2014 is presented below:

	2015	2014
	Governmental	Governmental
	Activities	Activities
	(As Revised)	(As Revised)
Assets:		
Current assets.....	\$ 97,668,396	\$ 74,402,063
Noncurrent assets (excluding capital).....	6,972,415	8,351,606
Capital assets.....	328,997,153	313,183,076
Total assets.....	433,637,964	395,936,745
Total deferred outflows of resources.....	3,503,835	627,140
Liabilities:		
Current liabilities (excluding debt).....	8,924,074	10,048,562
Noncurrent liabilities (excluding debt).....	249,182,165	222,023,302
Current debt.....	15,133,479	21,204,442
Noncurrent debt.....	116,461,474	84,117,754
Total liabilities.....	389,701,192	337,394,060
Net Position:		
Net investment in capital assets.....	232,650,922	222,839,023
Restricted.....	6,863,410	5,989,804
Unrestricted.....	(192,073,725)	(169,815,596)
Total net position.....	\$ 47,440,607	\$ 59,013,231

The 2014 noncurrent liabilities and beginning net position have been revised by \$110,415,618 to reflect the implementation of GASB Statements #68 and #71 and the associated net pension liability. At the end of the current year, the Town is able to report positive balances in two out of three categories of net position. The Town's assets and deferred outflows exceeded liabilities by \$47.4 million at the close of 2015.

	2015	2014
	Governmental	Governmental
	Activities	Activities
	(As Revised)	(As Revised)
Program revenues:		
Charges for services.....	\$ 14,005,669	\$ 15,444,450
Operating grants and contributions.....	45,823,765	53,199,067
Capital grants and contributions.....	6,209,155	2,757,215
General Revenues:		
Real estate and personal property taxes.....	137,027,391	128,365,654
Tax liens.....	760,183	1,452,109
Motor vehicle and other excise taxes.....	8,047,856	7,342,213
Community preservation tax.....	2,004,133	1,898,826
Penalties and interest on taxes.....	679,256	708,936
Payments in lieu of taxes.....	65,771	60,193
Grants and contributions not restricted to specific programs.....	6,539,409	5,964,414
Unrestricted investment income.....	620,563	394,334
Other.....	99,197	8,059
Total revenues.....	221,882,348	217,595,470
Expenses:		
General government.....	(14,524,250)	(13,856,988)
Public safety.....	(40,405,319)	(37,038,241)
Education.....	(152,864,254)	(157,460,692)
Public works.....	(15,189,690)	(15,575,704)
Human services.....	(2,349,376)	(2,160,565)
Culture and recreation.....	(4,932,244)	(4,711,034)
Community preservation.....	(417,677)	(1,014,023)
Interest.....	(3,532,907)	(3,365,189)
Total expenses.....	(234,215,717)	(235,182,436)
Transfers.....	760,745	441,889
Change in net position.....	(11,572,624)	(17,145,077)
Net position - beginning of year (as revised).....	59,013,231	76,158,308
Net position - end of year.....	\$ 47,440,607	\$ 59,013,231

Business-type Activities

The 2014 noncurrent liabilities and beginning net position have been revised by \$4,658,382 to reflect the implementation of GASB Statements #68 and #71 and the associated net pension liability.

Business-type assets and deferred outflows exceeded liabilities by \$67.9 million at June 30, 2015. Net investment in capital assets was \$62.6 million. The remaining balance of *unrestricted* net position of \$5.3 million may be used to meet the enterprise funds' ongoing obligations.

There was an increase of \$1.2 million in net position reported in connection with the water, sewer, airport, and solid waste business-type activities. Condensed financial data for 2015 and 2014 is presented below:

	2015 Business-type Activities	2014 Business-type Activities (As Revised)
Assets:		
Current assets.....	\$ 16,274,902	\$ 15,559,786
Noncurrent assets (excluding capital).....	3,803,959	4,370,723
Capital assets.....	<u>86,803,102</u>	<u>85,443,493</u>
Total assets.....	<u>106,881,963</u>	<u>105,374,002</u>
Total deferred outflows of resources.....	<u>133,752</u>	<u>-</u>
Liabilities:		
Current liabilities (excluding debt).....	1,885,008	1,948,471
Noncurrent liabilities (excluding debt).....	8,102,281	7,372,951
Current debt.....	5,942,857	7,438,107
Noncurrent debt.....	<u>23,174,272</u>	<u>21,920,931</u>
Total liabilities.....	<u>39,104,418</u>	<u>38,680,460</u>
Net Position:		
Net investment in capital assets.....	62,619,198	62,609,804
Unrestricted.....	<u>5,292,099</u>	<u>4,083,738</u>
Total net position.....	<u>\$ 67,911,297</u>	<u>\$ 66,693,542</u>
Program revenues:		
Charges for services.....	\$ 12,886,522	\$ 13,007,206
Operating grants and contributions.....	619,452	672,330
Capital grants and contributions.....	1,170,086	310,876
General Revenues:		
Unrestricted investment income.....	<u>50,777</u>	<u>20,614</u>
Total revenues.....	<u>14,726,837</u>	<u>14,011,026</u>
Expenses:		
Water.....	(3,978,464)	(3,649,039)
Sewer.....	(4,119,065)	(4,336,630)
Airport.....	(2,838,885)	(2,772,607)
Solid waste.....	<u>(1,811,923)</u>	<u>(1,680,037)</u>
Total expenses.....	<u>(12,748,337)</u>	<u>(12,438,313)</u>
Transfers.....	<u>(760,745)</u>	<u>(441,889)</u>
Change in net position.....	1,217,755	1,130,824
Net position - beginning of year (as revised).....	<u>66,693,542</u>	<u>65,562,718</u>
Net position - end of year.....	<u>\$ 67,911,297</u>	<u>\$ 66,693,542</u>

The water enterprise net position decreased by \$1.2 million during the year. The change is attributable to depreciation expense exceeding debt principal payments by \$780,000 and an increase of \$289,000 in the liability related to GASB Statement #45.

The sewer enterprise net position increased by \$1.8 million during the year. The change is attributable to the fund's ability to set rates to cover costs of operations as well as principal payments on long-term debt exceeded depreciation on capital assets.

The airport enterprise net position increased by \$550,000 during the year. The change is attributable to the receipt of capital grants of \$1.2 million offset by depreciation on capital assets of \$631,000.

The solid waste enterprise net position increased by \$47,000 during the year. The change is attributable to the fund's ability to set rates to cover costs of operations.

Financial Analysis of the Government's Funds

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

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

As of the end of the current year, governmental funds reported combined ending fund balances of \$69.5 million an increase of \$30.2 million in comparison with the prior year. This increase is primarily attributable to the issuance of \$39.4 million of long-term debt to fund capital projects, the receipt of \$2.2 million of bond premiums, offset by capital expenditures, a general fund operating deficit of \$1.9 million, and the timing of grant expenditures versus the receipt of grant proceeds.

The general fund is the chief operating fund. At the end of the year, unassigned fund balance of the general fund totaled \$18.8 million which is comprised of three components: a general fund balance of \$7.4 million and a stabilization fund balance of \$11.4 million (this includes both the general stabilization fund balance of \$9.0 million and the Nuclear Plant Mitigation stabilization fund balance of \$2.4 million). Assigned fund balance, which represents amounts designated for the 2016 budget as well as amounts that have been reserved for the use of liquidating prior period purchase orders and contracts totaled \$5.0 million. Committed fund balance, which represents the Town's various capital articles, totaled \$4.7 million. Fund balance of \$2.3 million represents bond premiums that are restricted for future debt service. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. At year-end, unassigned fund balance equaled 9.4% of total general fund expenditures, while total fund balance equaled 15.5% of the same amount.

The current year general fund net change in fund balance was a decrease of \$1.9 million. This is mainly due to the use of available funds to balance the operating budget.

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

The *community preservation fund* is used to account for funds received in accordance with the Massachusetts Community Preservation Act (the "CPA"). At the end of the year, the fund had an accumulated fund balance of \$4.8 million; this is an increase of \$774,000 from the prior year. This is mainly due to the timing of the expenditures of CPA funds on the various ongoing projects.

The *Town building/land capital articles fund* is used to account for all financial resources for Town building and land related capital projects. At the end of the current year, the fund had an accumulated fund deficit of \$2.7 million; a decrease of \$2.4 million. This is due to the timing of the expenditures on various projects. The deficit is expected to be funded with bond proceeds in future years.

The *excluded debt projects fund* is used to account for all financial resources appropriated to fund projects that are funded using debt exclusions. At the end of the current year, the fund had an accumulated fund balance of \$21.6 million; an increase of \$27.2 million. The increase is due to the receipt of \$28.3 million of bond proceeds offset by current capital related expenditures.

The *internal service proprietary fund* provides for health insurance coverage for the Towns employees. Results of operations reports an increase in net position of \$1.0 million in 2015 and an accumulated net position of \$3.1 million. The increase is due to an operating surplus of \$899,000 and the receipt of \$113,000 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 \$144.9 million. This represents an increase of \$4.8 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 \$7.0 million offset by an increase in retirement benefits.

The Other Postemployment Benefit Trust fund (the Trust) was established during 2012 to account for assets relating to the pre-funding of the Town's Other Postemployment Benefit liability. During 2015, the fund reported \$145,000 of employer contributions and earned \$31,000 in investment income resulting in accumulated net position of \$993,000 at the end of the year.

General Fund Budgetary Highlights

The \$6.5 million increase between the original budget and the final amended budget was mainly due to appropriation increases in general government, public safety, education, public works, employee benefits, and transfers out.

Capital Asset and Debt Administration

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

Outstanding governmental long-term debt, as of June 30, 2015, totaled \$118.1 million, of which approximately \$71.0 million relates to various school construction projects, \$11.1 million relates to buildings, \$23.9 million relates to other school projects, \$2.4 million relates to departmental equipment, leaving a balance of approximately \$9.7 million for various municipal projects.

The enterprise funds have \$17.9 million in sewer debt and \$7.9 million in water debt that are supported by the rates.

The Town's major capital projects relate to school construction and renovation projects, equipment purchases, and water main projects. These projects will continue through 2016.

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

Requests for Information

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

Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Plymouth Growth & Development
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 65,749,660	\$ 8,636,651	\$ 74,386,311	\$ 1,161,553
Investments.....	17,385,362	4,246,247	21,631,609	-
Receivables, net of allowance for uncollectibles:				
Real estate and personal property taxes.....	3,073,628	-	3,073,628	-
Tax liens.....	587,291	-	587,291	-
Motor vehicle excise taxes.....	922,412	-	922,412	-
User fees.....	-	2,715,492	2,715,492	-
Departmental and other.....	949,968	92,000	1,041,968	-
Special assessments.....	812,671	-	812,671	-
Intergovernmental.....	6,357,381	584,512	6,941,893	-
Parking tickets.....	-	-	-	81,905
Tax foreclosures.....	1,657,123	-	1,657,123	-
Working capital deposit.....	172,900	-	172,900	-
Other assets.....	-	-	-	25,181
Prepaid expenses.....	-	-	-	21,395
NONCURRENT:				
Receivables, net of allowance for uncollectibles:				
Intergovernmental.....	6,972,415	3,803,959	10,776,374	-
Capital assets, net of accumulated depreciation:				
Nondepreciable.....	119,704,474	22,150,812	141,855,286	-
Depreciable.....	209,292,679	64,652,290	273,944,969	785,945
TOTAL ASSETS.....	433,637,964	106,881,963	540,519,927	2,075,979
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding.....	333,587	-	333,587	-
Deferred outflows of resources related to pensions.....	3,170,248	133,752	3,304,000	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	3,503,835	133,752	3,637,587	-
LIABILITIES				
CURRENT:				
Warrants payable.....	4,293,093	879,223	5,172,316	49,743
Accrued payroll.....	1,086,159	55,522	1,141,681	4,862
Health claims payable.....	2,195,000	-	2,195,000	-
Tax refunds payable.....	212,000	-	212,000	-
Accrued interest.....	784,393	160,773	945,166	-
Payroll withholdings.....	6,147	-	6,147	-
Abandoned property.....	122,282	-	122,282	-
Other liabilities.....	-	778,690	778,690	-
Landfill closure.....	50,000	-	50,000	-
Compensated absences.....	175,000	10,800	185,800	6,156
Notes payable.....	5,902,000	2,719,000	8,621,000	-
Bonds payable.....	9,231,479	3,223,857	12,455,336	-
NONCURRENT:				
Landfill closure.....	650,000	-	650,000	-
Compensated absences.....	1,575,000	97,200	1,672,200	-
Other postemployment benefits.....	131,268,034	3,124,212	134,392,246	-
Bonds payable.....	116,461,474	23,174,272	139,635,746	-
Net pension liability.....	115,689,131	4,880,869	120,570,000	-
TOTAL LIABILITIES.....	389,701,192	39,104,418	428,805,610	60,761
NET POSITION				
Net investment in capital assets.....	232,650,922	62,619,198	295,270,120	785,945
Restricted for:				
Permanent funds:				
Expendable.....	347,713	-	347,713	-
Nonexpendable.....	1,396,594	-	1,396,594	-
Grants and Gifts.....	5,119,103	-	5,119,103	-
Unrestricted.....	(192,073,725)	5,292,099	(186,781,626)	1,229,273
TOTAL NET POSITION.....	\$ 47,440,607	\$ 67,911,297	\$ 115,351,904	\$ 2,015,218

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 14,524,250	\$ 4,255,957	\$ 1,541,036	\$ -	\$ (8,727,257)
Public safety.....	40,405,319	2,343,236	258,886	-	(37,803,197)
Education.....	152,864,254	4,424,546	40,862,127	4,594,540	(102,983,041)
Public works.....	15,189,690	1,553,384	2,368,009	1,017,096	(10,251,201)
Human services.....	2,349,376	581,245	153,673	-	(1,614,458)
Culture and recreation.....	4,932,244	847,301	267,325	-	(3,817,618)
Community preservation.....	417,677	-	-	597,519	179,842
Interest.....	3,532,907	-	372,709	-	(3,160,198)
Total Governmental Activities.....	234,215,717	14,005,669	45,823,765	6,209,155	(168,177,128)
<i>Business-Type Activities:</i>					
Water.....	3,978,464	3,850,867	10,933	-	(116,664)
Sewer.....	4,119,065	4,534,177	608,519	-	1,023,631
Airport.....	2,838,885	2,392,094	-	1,170,086	723,295
Solid waste.....	1,811,923	2,109,384	-	-	297,461
Total Business-Type Activities.....	12,748,337	12,886,522	619,452	1,170,086	1,927,723
Total Primary Government.....	\$ 246,964,054	\$ 26,892,191	\$ 46,443,217	\$ 7,379,241	\$ (166,249,405)
Component Unit:					
Plymouth Growth & Development.....	\$ 750,662	\$ 1,288,975	\$ -	\$ -	\$ 538,313

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES (Continued)

YEAR ENDED JUNE 30, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Plymouth Growth & Development
Changes in net position:				
Net (expense) revenue from previous page.....	\$ (168,177,128)	\$ 1,927,723	\$ (166,249,405)	\$ 538,313
<i>General revenues:</i>				
Real estate and personal property taxes, net of tax refunds payable.....	137,027,391	-	137,027,391	-
Tax liens.....	760,183	-	760,183	-
Motor vehicle and other excise taxes.....	8,047,856	-	8,047,856	-
Community preservation tax.....	2,004,133	-	2,004,133	-
Penalties and interest on taxes.....	679,256	-	679,256	-
Payments in lieu of taxes.....	65,771	-	65,771	-
Grants and contributions not restricted to specific programs.....	6,539,409	-	6,539,409	-
Unrestricted investment income.....	620,563	50,777	671,340	501
Miscellaneous.....	99,197	-	99,197	-
<i>Transfers, net</i>	<u>760,745</u>	<u>(760,745)</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers.....	<u>156,604,504</u>	<u>(709,968)</u>	<u>155,894,536</u>	<u>501</u>
Change in net position.....	(11,572,624)	1,217,755	(10,354,869)	538,814
<i>Net Position:</i>				
Beginning of year (as revised).....	<u>59,013,231</u>	<u>66,693,542</u>	<u>125,706,773</u>	<u>1,476,404</u>
End of year.....	\$ <u><u>47,440,607</u></u>	\$ <u><u>67,911,297</u></u>	\$ <u><u>115,351,904</u></u>	\$ <u><u>2,015,218</u></u>

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2015

	General	Community Preservation	Town Building/Land Capital	Excluded Debt Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents.....	\$ 21,889,806	\$ 3,905,028	\$ 2,335,791	\$ 21,510,810	\$ 14,812,511	\$ 64,453,946
Investments.....	11,854,981	888,386	-	-	1,467,249	14,210,616
Receivables, net of uncollectibles:						
Real estate and personal property taxes.....	3,073,628	-	-	-	-	3,073,628
Tax liens.....	578,506	6,479	-	-	2,306	587,291
Motor vehicle excise taxes.....	922,412	-	-	-	-	922,412
Departmental and other.....	31,115	34,253	-	-	-	65,368
Special assessments.....	-	-	-	-	812,671	812,671
Intergovernmental.....	8,582,804	593,048	-	329,229	3,824,715	13,329,796
Tax foreclosures.....	1,657,123	-	-	-	-	1,657,123
TOTAL ASSETS.....	\$ 48,590,375	\$ 5,427,194	\$ 2,335,791	\$ 21,840,039	\$ 20,919,452	\$ 99,112,851
LIABILITIES						
Warrants payable.....	\$ 2,839,402	\$ 9,201	\$ 6,920	\$ 261,626	\$ 961,460	\$ 4,078,609
Accrued payroll.....	1,040,224	-	-	-	45,935	1,086,159
Tax refunds payable.....	212,000	-	-	-	-	212,000
Payroll withholdings.....	6,147	-	-	-	-	6,147
Abandoned property.....	122,282	-	-	-	-	122,282
Notes payable.....	-	-	5,000,000	-	902,000	5,902,000
TOTAL LIABILITIES.....	4,220,055	9,201	5,006,920	261,626	1,909,395	11,407,197
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues.....	13,574,583	633,781	-	-	4,002,419	18,210,783
FUND BALANCES						
Nonspendable.....	-	-	-	-	1,396,594	1,396,594
Restricted.....	2,279,183	4,784,212	-	21,578,413	14,354,201	42,996,009
Committed.....	4,721,466	-	-	-	-	4,721,466
Assigned.....	5,021,140	-	-	-	-	5,021,140
Unassigned.....	18,773,948	-	(2,671,129)	-	(743,157)	15,359,662
TOTAL FUND BALANCES (DEFICITS).....	30,795,737	4,784,212	(2,671,129)	21,578,413	15,007,638	69,494,871
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 48,590,375	\$ 5,427,194	\$ 2,335,791	\$ 21,840,039	\$ 20,919,452	\$ 99,112,851

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2015

Total governmental fund balances.....		\$ 69,494,871
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		328,997,153
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		18,210,783
Certain changes in the net pension liability are required to be included in pension expense over future periods. These changes are reported as deferred outflows of resources or (deferred inflows of resources) related to penions.....		3,170,248
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.....		3,118,476
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(784,393)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable.....	(125,692,953)	
Landfill closure.....	(700,000)	
Other postemployment benefits.....	(131,268,034)	
Compensated absences.....	(1,750,000)	
Net pension liability.....	<u>(115,689,131)</u>	
Net effect of reporting long-term liabilities.....		(375,100,118)
In the statement of activities, deferred charges are reported for refundings of debt, which are amortized over the shorter of the remaining life of the refunding bonds or refunded bonds. In governmental funds, defeasances of debt are expensed when the refunding bonds are issued.....		<u>333,587</u>
Net position of governmental activities.....		<u>\$ 47,440,607</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2015

	General	Community Preservation	Town Building/Land Capital	Excluded Debt Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:						
Real estate and personal property taxes, net of tax refunds.....	\$ 136,322,030	\$ -	\$ -	\$ -	\$ -	\$ 136,322,030
Tax liens.....	986,022	-	-	-	-	986,022
Motor vehicle and other excise taxes.....	7,984,084	-	-	-	-	7,984,084
Community preservation tax.....	-	2,004,133	-	-	-	2,004,133
Penalties and interest on taxes.....	679,256	-	-	-	-	679,256
Payments in lieu of taxes.....	65,771	-	-	-	-	65,771
Intergovernmental - federal.....	719,298	-	-	-	6,839,769	7,559,067
Intergovernmental - state.....	41,388,116	594,787	-	4,594,540	4,006,237	50,583,680
Departmental and other.....	6,204,447	-	-	-	8,062,735	14,267,182
Contributions.....	-	-	-	-	850,258	850,258
Investment income/(loss).....	434,714	34,586	-	-	38,515	507,815
TOTAL REVENUES.....	194,783,738	2,633,506	-	4,594,540	19,797,514	221,809,298
EXPENDITURES:						
Current:						
General government.....	9,477,970	-	2,671,129	-	1,860,545	14,009,644
Public safety.....	21,364,152	-	-	-	1,202,389	22,566,541
Education.....	89,942,548	-	-	5,731,818	13,780,522	109,454,888
Public works.....	10,363,600	-	-	-	6,753,010	17,116,610
Human services.....	1,485,806	-	-	6,263	157,008	1,649,077
Culture and recreation.....	2,484,965	-	-	-	771,710	3,256,675
Community preservation.....	-	1,859,442	-	-	-	1,859,442
Pension benefits.....	18,950,220	-	-	-	-	18,950,220
Employee benefits.....	33,528,362	-	-	-	-	33,528,362
State and county charges.....	1,001,703	-	-	-	-	1,001,703
Debt service:						
Principal.....	6,646,830	-	-	-	-	6,646,830
Interest.....	3,940,288	-	-	-	-	3,940,288
TOTAL EXPENDITURES.....	199,186,444	1,859,442	2,671,129	5,738,081	24,525,184	233,980,280
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(4,402,706)	774,064	(2,671,129)	(1,143,541)	(4,727,670)	(12,170,982)
OTHER FINANCING SOURCES (USES):						
Proceeds from bonds.....	-	-	305,000	28,326,186	10,731,877	39,363,063
Premium from issuance of bonds and notes.....	763,621	-	-	-	1,448,511	2,212,132
Transfers in.....	3,082,546	-	-	-	100,000	3,182,546
Transfers out.....	(1,310,360)	-	-	-	(1,111,441)	(2,421,801)
TOTAL OTHER FINANCING SOURCES (USES).....	2,535,807	-	305,000	28,326,186	11,168,947	42,335,940
NET CHANGE IN FUND BALANCES.....	(1,866,899)	774,064	(2,366,129)	27,182,645	6,441,277	30,164,958
FUND BALANCES (DEFICITS) AT BEGINNING OF YEAR.....	32,662,636	4,010,148	(305,000)	(5,604,232)	8,566,361	39,329,913
FUND BALANCES (DEFICITS) AT END OF YEAR.....	\$ 30,795,737	\$ 4,784,212	\$ (2,671,129)	\$ 21,578,413	\$ 15,007,638	\$ 69,494,871

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2015

Net change in fund balances - total governmental funds.....		\$ 30,164,958
<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.....	27,049,680	
Depreciation expense.....	<u>(11,235,603)</u>	
Net effect of reporting capital assets.....		15,814,077
<p>Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in unavailable revenue.....</p>		
		(39,698)
<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.....	(39,363,063)	
Premium from issuance of bonds.....	(2,212,132)	
Debt service principal payments.....	6,646,830	
Amortization of bond premiums.....	<u>744,608</u>	
Net effect of reporting long-term debt.....		(34,183,757)
<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.....	(146,000)	
Net change in accrued interest on long-term debt.....	(200,268)	
Net change in landfill closure accrual.....	50,000	
Net change in other postemployment benefit accrual.....	(21,803,950)	
Amortization of deferred charge on refunding.....	(136,959)	
Net change in deferred outflow/(inflow) of resources related to pensions.....	3,170,248	
Net change in net pension liability.....	<u>(5,273,513)</u>	
Net effect of recording long-term liabilities and amortizing deferred losses.....		(24,340,442)
<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>1,012,238</u>
Change in net position of governmental activities.....		<u>\$ (11,572,624)</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2015

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Airport	Solid Waste	Total	
ASSETS						
CURRENT:						
Cash and cash equivalents.....	\$ 1,588,449	\$ 4,400,819	\$ 759,632	\$ 1,887,751	\$ 8,636,651	\$ 1,295,714
Investments.....	2,344,583	1,901,664	-	-	4,246,247	3,174,746
Receivables, net of allowance for uncollectibles:						
User fees.....	1,226,258	1,489,234	-	-	2,715,492	-
Departmental and other.....	-	-	-	92,000	92,000	884,600
Intergovernmental.....	10,999	555,764	17,749	-	584,512	-
Working capital deposit.....	-	-	-	-	-	172,900
Total current assets.....	5,170,289	8,347,481	777,381	1,979,751	16,274,902	5,527,960
NONCURRENT:						
Receivables, net of allowance for uncollectibles:						
Intergovernmental.....	69,394	3,734,565	-	-	3,803,959	-
Capital assets, net of accumulated depreciation.....						
Nondepreciable.....	17,527,468	1,133,938	3,462,515	26,891	22,150,812	-
Depreciable.....	23,100,861	32,494,095	8,074,529	982,805	64,652,290	-
Total noncurrent assets.....	40,697,723	37,362,598	11,537,044	1,009,696	90,607,061	-
TOTAL ASSETS.....	45,868,012	45,710,079	12,314,425	2,989,447	106,881,963	5,527,960
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows of resources related to pensions..	66,640	18,603	30,848	17,661	133,752	-
LIABILITIES						
CURRENT:						
Warrants payable.....	122,541	740,640	5,374	10,668	879,223	214,484
Accrued payroll.....	29,853	8,033	10,545	7,091	55,522	-
Health claims payable.....	-	-	-	-	-	2,195,000
Accrued interest.....	41,987	118,786	-	-	160,773	-
Other liabilities.....	-	-	-	778,690	778,690	-
Compensated absences.....	4,600	2,100	2,900	1,200	10,800	-
Notes payable.....	139,000	2,580,000	-	-	2,719,000	-
Bonds payable.....	805,140	2,418,717	-	-	3,223,857	-
Total current liabilities.....	1,143,121	5,868,276	18,819	797,649	7,827,865	2,409,484
NONCURRENT:						
Compensated absences.....	41,400	18,900	26,100	10,800	97,200	-
Other postemployment benefits.....	1,629,718	383,663	611,683	499,148	3,124,212	-
Bonds payable.....	7,530,700	15,643,572	-	-	23,174,272	-
Net pension liability.....	2,431,845	678,848	1,125,700	644,476	4,880,869	-
Total noncurrent liabilities.....	11,633,663	16,724,983	1,763,483	1,154,424	31,276,553	-
TOTAL LIABILITIES.....	12,776,784	22,593,259	1,782,302	1,952,073	39,104,418	2,409,484
NET POSITION						
Net investment in capital assets.....	32,796,385	17,276,073	11,537,044	1,009,696	62,619,198	-
Unrestricted.....	361,483	5,859,350	(974,073)	45,339	5,292,099	3,118,476
TOTAL NET POSITION.....	\$ 33,157,868	\$ 23,135,423	\$ 10,562,971	\$ 1,055,035	\$ 67,911,297	\$ 3,118,476

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Airport	Solid Waste	Total	
OPERATING REVENUES:						
Employee contributions.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,658,745
Employer contributions.....	-	-	-	-	-	29,276,314
Charges for services.....	3,850,867	4,527,758	26,431	2,106,894	10,511,950	-
Fuel sales.....	-	-	2,050,982	-	2,050,982	-
Rentals.....	-	-	314,681	-	314,681	-
Other.....	-	6,419	-	2,490	8,909	215,856
TOTAL OPERATING REVENUES.....	3,850,867	4,534,177	2,392,094	2,109,384	12,886,522	35,150,915
OPERATING EXPENSES:						
Cost of services and administration.....	2,308,687	2,218,868	2,208,133	1,705,077	8,440,765	-
Depreciation.....	1,409,838	978,488	630,752	106,846	3,125,924	-
Employee benefits.....	-	-	-	-	-	34,251,425
TOTAL OPERATING EXPENSES.....	3,718,525	3,197,356	2,838,885	1,811,923	11,566,689	34,251,425
OPERATING INCOME (LOSS).....	132,342	1,336,821	(446,791)	297,461	1,319,833	899,490
NONOPERATING REVENUES (EXPENSES):						
Investment income/(loss).....	37,629	6,845	1,682	4,621	50,777	112,748
Interest expense.....	(259,939)	(921,709)	-	-	(1,181,648)	-
Intergovernmental - federal.....	-	-	93,100	-	93,100	-
Intergovernmental - state.....	10,933	608,519	1,076,986	-	1,696,438	-
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(211,377)	(306,345)	1,171,768	4,621	658,667	112,748
INCOME (LOSS) BEFORE OPERATING TRANSFERS.....	(79,035)	1,030,476	724,977	302,082	1,978,500	1,012,238
TRANSFERS:						
Transfers in.....	56,514	1,117,813	20,483	15,550	1,210,360	-
Transfers out.....	(1,182,317)	(323,048)	(194,979)	(270,761)	(1,971,105)	-
TOTAL TRANSFERS.....	(1,125,803)	794,765	(174,496)	(255,211)	(760,745)	-
CHANGE IN NET POSITION.....	(1,204,838)	1,825,241	550,481	46,871	1,217,755	1,012,238
NET POSITION AT BEGINNING OF YEAR (AS REVISED)...	34,362,706	21,310,182	10,012,490	1,008,164	66,693,542	2,106,238
NET POSITION AT END OF YEAR.....	\$ 33,157,868	\$ 23,135,423	\$ 10,562,971	\$ 1,055,035	\$ 67,911,297	\$ 3,118,476

See notes to basic financial statements.

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS**

YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Airport	Solid Waste	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers and users.....	\$ 4,467,592	\$ 5,081,494	\$ 2,374,345	\$ 2,102,784	\$ 14,026,215	\$ -
Receipts from interfund services provided.....	-	-	-	-	-	34,280,960
Payments to vendors.....	(1,014,666)	(1,876,593)	(1,737,811)	(1,438,285)	(6,067,355)	-
Payments to employees.....	(921,371)	(264,272)	(403,083)	(296,241)	(1,884,967)	-
Payments for interfund services used.....	-	-	-	-	-	(34,299,025)
NET CASH FROM OPERATING ACTIVITIES.....	2,531,555	2,940,629	233,451	368,258	6,073,893	(18,065)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers in.....	56,514	1,117,813	20,483	15,550	1,210,360	-
Transfers out.....	(1,182,317)	(323,048)	(194,979)	(270,761)	(1,971,105)	-
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....	(1,125,803)	794,765	(174,496)	(255,211)	(760,745)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds from the issuance of bonds and notes.....	356,137	2,050,000	-	-	2,406,137	-
Acquisition and construction of capital assets.....	(2,115,167)	(804,501)	(1,181,479)	(343,360)	(4,444,507)	-
Principal payments on bonds and notes.....	(609,777)	(1,740,856)	-	-	(2,350,633)	-
Interest expense.....	(103,028)	(221,924)	-	-	(324,952)	-
Intergovernmental grants.....	-	-	1,170,086	-	1,170,086	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(2,471,835)	(717,281)	(11,393)	(343,360)	(3,543,869)	-
CASH FLOWS FROM INVESTING ACTIVITIES:						
Net proceeds from purchase/sales of investments.....	305,569	(1,149,132)	-	-	(843,563)	501,065
Investment income/(loss).....	37,629	6,845	1,682	4,621	50,777	112,748
NET CASH FROM INVESTING ACTIVITIES.....	343,198	(1,142,287)	1,682	4,621	(792,786)	613,813
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(722,885)	1,875,826	49,244	(225,692)	976,493	595,748
CASH AND CASH EQUIVALENTS						
AT BEGINNING OF YEAR.....	2,311,334	2,524,993	710,388	2,113,443	7,660,158	699,966
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 1,588,449	\$ 4,400,819	\$ 759,632	\$ 1,887,751	\$ 8,636,651	\$ 1,295,714
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:						
Operating income (loss).....	\$ 132,342	\$ 1,336,821	\$ (446,791)	\$ 297,461	\$ 1,319,833	\$ 899,490
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Depreciation.....	1,409,838	978,488	630,752	106,846	3,125,924	-
Deferred (outflows)/inflows related to pensions.....	(66,640)	(18,603)	(30,848)	(17,661)	(133,752)	-
Changes in assets and liabilities:						
User fees.....	616,725	547,317	-	-	1,164,042	-
Departmental and other.....	-	-	-	(6,600)	(6,600)	(869,955)
Intergovernmental.....	-	-	(17,749)	-	(17,749)	-
Warrants payable.....	26,829	44,891	420	(108,119)	(35,979)	161,788
Other postemployment benefits.....	288,665	19,994	86,740	109,644	505,043	-
Accrued payroll.....	5,945	2,777	1,323	654	10,699	-
Health claims payable.....	-	-	-	-	-	(5,000)
Other liabilities.....	-	-	(38,710)	(43,345)	(82,055)	(204,388)
Accrued compensated absences.....	7,000	(2,000)	(3,000)	-	2,000	-
Net pension liability.....	110,851	30,944	51,314	29,378	222,487	-
Total adjustments.....	2,399,213	1,603,808	680,242	70,797	4,754,060	(917,555)
NET CASH FROM OPERATING ACTIVITIES.....	\$ 2,531,555	\$ 2,940,629	\$ 233,451	\$ 368,258	\$ 6,073,893	\$ (18,065)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:						
Principal and interest intergovernmental subsidies.....	\$ (21,156)	\$ (1,130,306)	\$ -	\$ -	\$ (1,151,462)	\$ -

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2015

	Pension Trust Fund (as of December 31, 2014)	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds	Agency Funds
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 4,384,392	\$ 12,187	\$ 241,503	\$ 1,348,473
Investments.....	140,610,422	981,105	2,356,584	-
Prepaid expenses.....	9,331	-	-	-
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	82,570	-	-	-
TOTAL ASSETS.....	145,086,715	993,292	2,598,087	1,348,473
LIABILITIES				
Warrants payable.....	175,570	-	-	21,662
Liabilities due depositors.....	-	-	-	1,326,811
TOTAL LIABILITIES.....	175,570	-	-	1,348,473
NET POSITION				
Held in trust for:				
Pension benefits.....	144,911,145	-	-	-
Other postemployment benefits.....	-	993,292	-	-
Other purposes.....	-	-	2,598,087	-
TOTAL NET POSITION.....	\$ 144,911,145	\$ 993,292	\$ 2,598,087	\$ -

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2015

	Pension Trust Fund (as of December 31, 2014)	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds
ADDITIONS:			
Contributions:			
Employer.....	\$ 9,952,200	\$ 145,000	\$ -
Employee.....	3,717,793	-	-
Employer - federal grant contributions.....	43,801	-	-
Member makeup payments and redeposits.....	68,732	-	-
Private donations.....	-	-	5,842
Retirement benefits - 3(8)c contributions from other systems.....	320,194	-	-
Interest not refunded.....	1,120	-	-
Intergovernmental - COLA.....	204,994	-	-
Transfers from other systems.....	102,592	-	-
Miscellaneous.....	31,798	-	-
Total contributions.....	14,443,224	145,000	5,842
Net investment income (loss):			
Net change in fair value of investments.....	4,692,753	30,680	-
Interest.....	3,523,280	-	57,577
Total investment income (loss).....	8,216,033	30,680	57,577
Less: investment expense.....	(1,242,482)	-	-
Net investment income (loss).....	6,973,551	30,680	57,577
TOTAL ADDITIONS.....	21,416,775	175,680	63,419
DEDUCTIONS:			
Administration.....	535,691	-	-
Transfers to other systems.....	521,829	-	-
Retirement benefits and refunds.....	15,193,418	-	-
Retirement benefits - 3(8)c contributions to other systems.....	335,189	-	-
Educational scholarships.....	-	-	62,500
TOTAL DEDUCTIONS.....	16,586,127	-	62,500
CHANGE IN NET POSITION.....	4,830,648	175,680	919
NET POSITION AT BEGINNING OF YEAR.....	140,080,497	817,612	2,597,168
NET POSITION AT END OF YEAR.....	\$ 144,911,145	\$ 993,292	\$ 2,598,087

See notes to basic financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

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

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

Availability of Financial Information for Component Units

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

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

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

Major Fund Criteria

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

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

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

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

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

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a particular function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include the following:

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

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

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

Fund Financial Statements

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

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

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

The following major governmental funds are reported:

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

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

The *Town building/land capital fund* is used to account for all financial resources appropriated to fund Town building and land purchase related capital projects.

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

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

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

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

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

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

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

The following major proprietary funds are reported:

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

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

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

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

Additionally, the following proprietary fund type is reported:

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

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

The following fiduciary fund types are reported:

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

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

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

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

D. Cash and Investments

Government-Wide and Fund Financial Statements

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

E. Accounts Receivable

Government-Wide and Fund Financial Statements

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

Real Estate, Personal Property Taxes and Tax Liens

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

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

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

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

Motor Vehicle Excise

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

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

Water and Sewer

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

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

Departmental and Other

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

Intergovernmental

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

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

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

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

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

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

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

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

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

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

Governmental Fund Financial Statements

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

H. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

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

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

Governmental Fund Financial Statements

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

I. Unavailable Revenue

Fund Financial Statements

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

J. Interfund Receivables and Payables

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

K. Interfund Transfers

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

L. Net Position and Fund Equity

Government-Wide Financial Statements (Net Position)

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

Net position has been "restricted for" the following:

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

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

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

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

Fund Financial Statements (Fund Balances)

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

The governmental fund balance classifications are as follows:

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

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

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

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

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

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

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plymouth Contributory Retirement System and the Massachusetts Teachers Retirement System and additions to/deductions from the Systems fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Long-term debt

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

O. 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.

P. 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.

Q. Use of Estimates

Government-Wide and Fund Financial Statements

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets

and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the year. Actual results could vary from estimates that were used.

R. Individual Fund Deficits

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

S. 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 2015 was \$138,443,888, which was \$7,394,250 less than the levy limit allowable for the year as computed under Proposition 2 ½.

NOTE 3 - CASH AND INVESTMENTS

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

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

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

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. At year-end, the carrying amount of deposits totaled \$75,929,173 and the bank balance totaled \$78,534,452. Of the bank balance, \$2,954,306 was covered by Federal Depository Insurance, \$10,973,129 was covered by the Depositors Insurance Fund, \$19,547,121 was covered by Share Insurance Fund, \$100,000 was covered by Securities Investor Protection Corporation Insurance, \$9,726,631 was collateralized, and \$35,233,265 was uninsured and uncollateralized.

At June 30, 2015, the carrying amount of deposits for the other postemployment benefit trust fund totaled \$12,187.

At December 31, 2014, the carrying amount of deposits for the System totaled \$475,494 and the bank balance totaled \$614,190 all of which was covered by Federal Depository Insurance.

At December 31, 2014, the carrying amount of deposits for the component unit totaled \$1,161,553 and the bank balance totaled \$1,178,832. Of the bank balance, \$682,153 was covered by Federal Depository Insurance or collateralization, and \$496,679 was uninsured and uncollateralized.

Investments

As of June 30, 2015, the Town of Plymouth had the following investments:

Investment Type	Maturity			
	<u>Fair Value</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>Over 10 Years</u>
<u>Debt Securities</u>				
U.S. Government Agencies.....	\$ 1,771,145	\$ 1,771,145	\$ -	\$ -
Corporate Bonds.....	<u>2,356,097</u>	<u>1,268,996</u>	<u>566,483</u>	<u>520,618</u>
Total Debt Securities.....	4,127,242	<u>\$ 3,040,141</u>	<u>\$ 566,483</u>	<u>\$ 520,618</u>
<u>Other Investments</u>				
Equity Securities.....	5,122,673			
Negotiable Certificates of Deposit.....	15,719,383			
MMDT.....	<u>59,301</u>			
Total Investments.....	<u>\$ 25,028,599</u>			

As of December 31, 2014, 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.....	\$ 16,856,685	<u>\$ 16,856,685</u>
<u>Other Investments</u>		
Equity Securities.....	27,466,111	
Equity Mutual Funds.....	48,688,031	
Pooled Real Estate Funds.....	15,074,173	
Money Market Mutual Funds.....	3,908,898	
Alternative Investment Mutual Funds.....	15,915,579	
International Equity Mutual Funds.....	15,642,396	
PRIT General Allocation Fund.....	<u>967,447</u>	
Total Investments.....	<u>\$ 144,519,320</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 \$1,771,145 in U.S. Government Agencies, \$5,122,673 in Equity Securities, and \$2,356,097 in Corporate Bonds, the Town has a custodial credit risk exposure of \$9,249,915 because the related securities are uninsured, unregistered and held by the counterparty. The Town will minimize custodial credit risk with the use of reporting services such as Veribanc, Moody's Investors Services, Fitch Rating, and Standard and Poor's.

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

Interest Rate Risk

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

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

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

Credit Risk

At June 30, 2015, the Town's investments in U.S. Government Agencies are rated AAA and Corporate Bonds are rated A1, A3, BAA1, BAA2, BAA3, and BA2. The bond mutual funds, equity securities, negotiable certificates of deposit, and MMDT are unrated.

The System's policy states that all fixed income investments shall be maintained at a quality rating of A or better, unless "Manager Specific Guidelines" allow further diversification. At June 30, 2015, 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, 2015.

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, 2015.

NOTE 4 – RECEIVABLES

At June 30, 2015, receivables for the individual major governmental funds and non-major, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes...	\$ 3,232,628	\$ (159,000)	\$ 3,073,628
Tax liens.....	587,291	-	587,291
Motor vehicle and other excise taxes.....	2,098,412	(1,176,000)	922,412
Departmental and other.....	65,368	-	65,368
Special assessments.....	812,671	-	812,671
Intergovernmental.....	13,329,796	-	13,329,796
 Total.....	 <u>\$ 20,126,166</u>	 <u>\$ (1,335,000)</u>	 <u>\$ 18,791,166</u>

At June 30, 2015, receivables for the enterprise funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Water user fees.....	\$ 1,226,258	\$ -	\$ 1,226,258
Sewer user fees.....	1,489,234	-	1,489,234
Water intergovernmental.....	80,393	-	80,393
Sewer intergovernmental.....	4,290,329	-	4,290,329
Solid Waste departmental and other.....	92,000	-	92,000
Airport intergovernmental.....	17,749	-	17,749
 Total.....	 <u>\$ 7,195,963</u>	 <u>\$ -</u>	 <u>\$ 7,195,963</u>

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

	General Fund	Community Preservation Funds	Nonmajor Governmental Funds	Total
<u>Receivable and other asset type:</u>				
Real estate and personal property taxes...	\$ 2,064,936	\$ -	\$ -	\$ 2,064,936
Tax liens.....	578,506	6,479	2,306	587,291
Motor vehicle and other excise taxes.....	922,412	-	-	922,412
Departmental and other.....	-	34,253	-	34,253
Special assessments.....	-	-	812,671	812,671
Intergovernmental.....	8,351,606	593,049	3,187,442	12,132,097
Tax foreclosures.....	1,657,123	-	-	1,657,123
 Total.....	 <u>\$ 13,574,583</u>	 <u>\$ 633,781</u>	 <u>\$ 4,002,419</u>	 <u>\$ 18,210,783</u>

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015, was as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 99,968,894	\$ 1,218,400	\$ -	\$ 101,187,294
Construction in progress.....	3,411,279	15,105,901	-	18,517,180
Total capital assets not being depreciated.....	<u>103,380,173</u>	<u>16,324,301</u>	<u>-</u>	<u>119,704,474</u>
<u>Capital assets being depreciated:</u>				
Land improvements.....	9,623,237	296,341	-	9,919,578
Buildings.....	215,847,403	3,250,584	-	219,097,987
Machinery and equipment.....	42,376,696	1,743,984	-	44,120,680
Infrastructure.....	78,394,449	3,673,929	-	82,068,378
Vehicles.....	6,750,914	1,760,541	-	8,511,455
Total capital assets being depreciated.....	<u>352,992,699</u>	<u>10,725,379</u>	<u>-</u>	<u>363,718,078</u>
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(4,595,089)	(453,351)	-	(5,048,440)
Buildings.....	(54,643,179)	(6,073,950)	-	(60,717,129)
Machinery and equipment.....	(34,052,845)	(1,682,005)	-	(35,734,850)
Infrastructure.....	(45,262,193)	(2,431,044)	-	(47,693,237)
Vehicles.....	(4,636,490)	(595,253)	-	(5,231,743)
Total accumulated depreciation.....	<u>(143,189,796)</u>	<u>(11,235,603)</u>	<u>-</u>	<u>(154,425,399)</u>
Total capital assets being depreciated, net.....	<u>209,802,903</u>	<u>(510,224)</u>	<u>-</u>	<u>209,292,679</u>
Total governmental activities capital assets, net.....	<u>\$ 313,183,076</u>	<u>\$ 15,814,077</u>	<u>\$ -</u>	<u>\$ 328,997,153</u>

Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 19,653,192	\$ 1,081,509	\$ -	\$ 20,734,701
Construction in progress.....	687,328	728,783	-	1,416,111
Total capital assets not being depreciated.....	<u>20,340,520</u>	<u>1,810,292</u>	<u>-</u>	<u>22,150,812</u>
<u>Capital assets being depreciated:</u>				
Land improvements.....	10,558,107	-	-	10,558,107
Buildings.....	32,377,102	-	-	32,377,102
Machinery and equipment.....	3,359,085	409,538	-	3,768,623
Vehicles.....	967,460	61,080	-	1,028,540
Infrastructure.....	82,003,707	2,204,623	-	84,208,330
Total capital assets being depreciated.....	<u>129,265,461</u>	<u>2,675,241</u>	<u>-</u>	<u>131,940,702</u>
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(4,359,794)	(478,064)	-	(4,837,858)
Buildings.....	(8,609,393)	(718,659)	-	(9,328,052)
Machinery and equipment.....	(1,694,637)	(265,414)	-	(1,960,051)
Vehicles.....	(639,531)	(69,904)	-	(709,435)
Infrastructure.....	(48,859,133)	(1,593,883)	-	(50,453,016)
Total accumulated depreciation.....	<u>(64,162,488)</u>	<u>(3,125,924)</u>	<u>-</u>	<u>(67,288,412)</u>
Total capital assets being depreciated, net.....	<u>65,102,973</u>	<u>(450,683)</u>	<u>-</u>	<u>64,652,290</u>
Total business-type activities capital assets, net.....	<u>\$ 85,443,493</u>	<u>\$ 1,359,609</u>	<u>\$ -</u>	<u>\$ 86,803,102</u>

Component Unit

	Beginning Balance	Increases	Decreases	Ending Balance
Discretely Presented Component Units:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ -	\$ 478,889	\$ -	\$ 478,889
Construction in progress.....	-	62,500	-	62,500
Total capital assets not being depreciated.....	<u>-</u>	<u>541,389</u>	<u>-</u>	<u>541,389</u>
<u>Capital assets being depreciated:</u>				
Leasehold improvements.....	46,890	-	-	46,890
Machinery and equipment.....	594,901	18,401	-	613,302
Vehicles.....	32,682	16,569	-	49,251
Total capital assets being depreciated.....	<u>674,473</u>	<u>34,970</u>	<u>-</u>	<u>709,443</u>
<u>Less accumulated depreciation:</u>				
Accumulated depreciation.....	(388,006)	(76,881)	-	(464,887)
Total capital assets being depreciated, net.....	<u>286,467</u>	<u>(41,911)</u>	<u>-</u>	<u>244,556</u>
Total discretely presented component units capital assets, net.....	<u>\$ 286,467</u>	<u>\$ 499,478</u>	<u>\$ -</u>	<u>\$ 785,945</u>

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

Governmental Activities:

General government.....	\$ 646,622
Public safety.....	1,461,962
Education.....	5,291,290
Public works.....	3,303,607
Community preservation.....	27,002
Human services.....	277,899
Culture and recreation.....	<u>227,221</u>

Total depreciation expense - governmental activities..... \$ 11,235,603

Business-Type Activities:

Water.....	\$ 1,409,838
Sewer.....	978,488
Airport.....	630,752
Solid Waste.....	<u>106,846</u>

Total depreciation expense - business-type activities..... \$ 3,125,924

Component Unit Activities:

Plymouth Growth and Development Corporation.....	<u>\$ 76,881</u>
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NOTE 6 – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2015, are summarized as follows:

Operating Transfers Out:	Operating Transfers In:						Total
	General Fund	Nonmajor Governmental Funds	Water Enterprise Fund	Sewer Enterprise Fund	Airport Enterprise Fund	Solid Waste Enterprise Fund	
General Fund.....	\$ -	\$ 100,000	\$ 56,514	\$ 1,117,813	\$ 20,483	\$ 15,550	\$ 1,310,360 (1)
Nonmajor Governmental Funds....	1,111,441	-	-	-	-	-	1,111,441 (2)
Water Enterprise Fund.....	1,182,317	-	-	-	-	-	1,182,317 (3)
Sewer Enterprise Fund.....	323,048	-	-	-	-	-	323,048 (3)
Airport Enterprise Fund.....	194,979	-	-	-	-	-	194,979 (3)
Solid Waste Enterprise Fund.....	<u>270,761</u>	-	-	-	-	-	<u>270,761 (3)</u>
	<u>\$ 3,082,546</u>	<u>\$ 100,000</u>	<u>\$ 56,514</u>	<u>\$ 1,117,813</u>	<u>\$ 20,483</u>	<u>\$ 15,550</u>	<u>\$ 4,392,906</u>

- (1) Budgeted transfers from the General Fund to the nonmajor funds and the various enterprise funds as a result of contract negotiation settlements.
- (2) Transfers from the Nonmajor Funds to fund the 2015 General Fund operating budget.
- (3) Transfers from the Enterprise Funds to the General Fund for the reimbursement of indirect costs.

NOTE 7 – SHORT-TERM FINANCING

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

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

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

Details related to the short-term debt activity for the year ended June 30, 2015, are as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2014	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2015
Governmental Funds							
BAN	MCWT Interim Note.....	0.00	12/31/16	\$ 200,000	\$ 192,000	\$ (300,000)	\$ 92,000
BAN	General Obligation.....	1.00	05/07/15	13,613,000	-	(13,613,000)	-
BAN	General Obligation.....	1.50	05/04/16	-	5,810,000	-	5,810,000
Total Governmental.....				<u>\$ 13,813,000</u>	<u>\$ 6,002,000</u>	<u>\$ (13,913,000)</u>	<u>\$ 5,902,000</u>
Enterprise Funds							
BAN	Water - General Obligation.....	1.00	05/07/15	\$ 2,435,000	\$ -	\$ (2,435,000)	\$ -
BAN	Water - General Obligation.....	1.50	05/04/16	-	139,000	-	139,000
Sub-Total water.....				<u>2,435,000</u>	<u>139,000</u>	<u>(2,435,000)</u>	<u>139,000</u>
BAN	Sewer - General Obligation.....	1.00	05/07/15	2,079,800	-	(2,079,800)	-
BAN	Sewer - General Obligation.....	1.50	05/04/16	-	2,580,000	-	2,580,000
Sub-Total sewer.....				<u>2,079,800</u>	<u>2,580,000</u>	<u>(2,079,800)</u>	<u>2,580,000</u>
Total Enterprise.....				<u>\$ 4,514,800</u>	<u>\$ 2,719,000</u>	<u>\$ (4,514,800)</u>	<u>\$ 2,719,000</u>

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, 2015, and the debt service requirements are as follows:

Bonds Payable Schedule – Governmental Funds

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2014	Issued	Redeemed	Outstanding at June 30, 2015
Title V - MCWT (T5-97-1029).....	2017	\$ 199,807	4.00	\$ 33,302	\$ -	\$ 11,101	\$ 22,201
Title V - MCWT (T5-97-1029-1).....	2021	164,236	0.00	64,605	-	8,974	55,631
Title V - MCWT (T5-97-1029-2).....	2025	185,254	4.94	99,525	-	9,525	90,000
FY2005 Landfill Bonds.....	2021	1,629,142	5.31 - 5.32	805,000	-	105,000	700,000
FY2008 Title V - MCWT.....	2028	600,000	0.00	450,135	-	39,895	410,240
FY2009 Landfill Bonds.....	2024	75,000	2.00 - 5.00	50,000	-	5,000	45,000
FY2009 Municipal Purpose Bonds.....	2029	28,486,501	2.00 - 5.00	15,645,000	-	1,545,000	14,100,000
FY2009 Municipal Purpose Bonds (Refunding)...	2021	17,712,075	3.00 - 5.00	10,735,000	-	1,784,000	8,951,000
FY2010 Title V - MCWT.....	2028	400,000	0.00	373,332	-	26,668	346,664
FY2011 Municipal Purpose Bonds.....	2036	39,450,000	2.00 - 5.00	34,530,000	-	1,640,000	32,890,000
FY2012 Title V - MCWT.....	2028	400,000	0.00	373,333	-	26,667	346,666
FY2013 Municipal Purpose Bonds.....	2038	23,674,000	3.00 - 5.00	22,210,000	-	1,445,000	20,765,000
FY2015 Municipal Purpose Bonds.....	2040	39,063,063	3.00 - 4.00	-	39,063,063	-	39,063,063
FY2015 Title V - MCWT.....	2035	300,000	0.00	-	300,000	-	300,000
Total Governmental Bonds Payable.....				85,369,232	39,363,063	6,646,830	118,085,465
Unamortized Premium on Bonds.....				6,139,964	2,212,132	744,608	7,607,488
Total Long-Term Debt.....				\$ 91,509,196	\$ 41,575,195	\$ 7,391,438	\$ 125,692,953

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

GOVERNMENTAL FUNDS, DEBT SERVICE PAYMENTS

Year	Principal	Interest	Total
2016.....	\$ 8,367,397	\$ 4,955,896	\$ 13,323,293
2017.....	8,098,364	4,612,885	12,711,249
2018.....	7,952,294	4,264,587	12,216,881
2019.....	7,687,321	3,922,552	11,609,873
2020.....	7,668,248	3,591,356	11,259,604
2021.....	6,458,275	3,280,312	9,738,587
2022.....	5,748,438	3,015,290	8,763,728
2023.....	5,693,468	2,761,590	8,455,058
2024.....	5,473,332	2,500,065	7,973,397
2025.....	5,458,332	2,269,265	7,727,597
2026.....	5,358,332	2,029,840	7,388,172
2027.....	5,303,332	1,803,490	7,106,822
2028.....	5,153,332	1,579,340	6,732,672
2029.....	3,770,000	1,376,287	5,146,287
2030.....	3,645,000	1,229,406	4,874,406
2031.....	3,645,000	1,073,107	4,718,107
2032.....	3,610,000	916,250	4,526,250
2033.....	3,610,000	771,333	4,381,333
2034.....	3,590,000	621,371	4,211,371
2035.....	3,290,000	470,308	3,760,308
2036.....	3,095,000	337,794	3,432,794
2037.....	1,575,000	203,475	1,778,475
2038.....	1,575,000	142,712	1,717,712
2039.....	1,130,000	81,925	1,211,925
2040.....	1,130,000	40,962	1,170,962
Total.....	\$ 118,085,465	\$ 47,851,398	\$ 165,936,863

The Town is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for principal in the amount of \$200,303 and interest costs of \$119,599. Thus, net MCWT loan repayments, including interest, are scheduled to be \$547,930. The principal subsidies are guaranteed and therefore a \$200,303 intergovernmental receivable and corresponding unavailable revenue were reported in the general fund. Since the Town is legally obligated for the total amount of the debt, such amounts have been reported in the accompanying basic financial statements. The 2015 principal and interest subsidies totaled \$30,736 and \$37,234, respectively.

The Commonwealth has approved school construction assistance. The assistance program, which is administered by the Massachusetts School Building Authority (MSBA), provides resources for future debt service of general obligation school bonds outstanding. During 2015, approximately \$1,637,000 of such assistance was received. Approximately \$8,841,000 will be received in future fiscal years. Of this amount, approximately \$690,000 represents reimbursement of long-term interest costs, and approximately \$8,151,000 represents reimbursement of approved construction costs. Accordingly, an \$8,151,000 intergovernmental receivable and corresponding unavailable revenue have been reported in governmental fund financial statements. The unavailable revenue has been recognized as revenue in the conversion to the government-wide financial statements.

The MSBA offers a construction grant program which pays the Town the State's share of approved school construction costs and therefore eliminates the need for the Town to fund the State's share through long-term debt. The Plymouth South High School project is being funded by this grant program. The total grant received by the Town is expected to be \$42,900,000. As of June 30, 2015, the Town has recognized revenue of \$3,700,000 and expects to receive \$39,200,000 in future years.

Bonds Payable Schedule – Enterprise Funds

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2014	Issued	Redeemed	Outstanding at June 30, 2015
FY2004 MCWT.....	2024	\$ 480,794	3.00 - 5.00	\$ 199,688	\$ -	\$ 17,517	\$ 182,171
FY2005 MCWT (Refunding).....	2023	26,944,600	4.64 - 5.10	17,043,013	-	2,055,197	14,987,816
FY2009 Sewer Bonds (Refunding).....	2016	461,350	3.00 - 5.00	160,000	-	81,000	79,000
FY2009 Sewer Bonds.....	2023	946,000	2.00 - 5.00	590,357	-	68,929	521,428
FY2011 Sewer Bonds.....	2031	800,000	2.00 - 5.00	680,000	-	40,000	640,000
FY2015 Sewer Bonds.....	2035	1,549,800	3.00 - 4.00	-	1,549,800	-	1,549,800
Sub-Total sewer bonds payable.....				18,673,058	1,549,800	2,262,643	17,960,215
Unamortized premium on bonds.....				-	102,074	-	102,074
Total sewer bonds payable.....				18,673,058	1,651,874	2,262,643	18,062,289
FY2004 Water Bonds (Refunding).....	2021	617,142	5.09	300,000	-	40,000	260,000
FY2009 Water Bonds (Refunding).....	2016	102,500	3.00 - 5.00	40,000	-	20,000	20,000
FY2009 Water Bonds.....	2029	5,853,849	2.00 - 5.00	3,730,000	-	410,000	3,320,000
FY2011 Water Bonds.....	2031	1,345,000	2.00 - 5.00	1,135,000	-	70,000	1,065,000
FY2013 Water Bonds.....	2023	800,000	3.00 - 5.00	720,000	-	80,000	640,000
FY2015 Water Bonds.....	2035	2,652,137	3.00 - 4.00	-	2,652,137	-	2,652,137
Sub-Total water bonds payable.....				5,925,000	2,652,137	620,000	7,957,137
Unamortized premium on bonds.....				246,180	173,187	40,664	378,703
Total water bonds payable.....				6,171,180	2,825,324	660,664	8,335,840
Total Enterprise Bonds Payable.....				\$ 24,844,238	\$ 4,477,198	\$ 2,923,307	\$ 26,398,129

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

SEWER ENTERPRISE FUND, DEBT SERVICE PAYMENTS

Year	Principal	Interest	Total
2016.....	\$ 2,408,814	\$ 817,269	\$ 3,226,083
2017.....	2,363,792	689,626	3,053,418
2018.....	2,432,163	559,616	2,991,779
2019.....	2,509,037	422,503	2,931,540
2020.....	2,572,814	262,726	2,835,540
2021.....	2,616,185	190,797	2,806,982
2022.....	804,556	121,183	925,739
2023.....	818,334	82,156	900,490
2024.....	174,520	58,358	232,878
2025.....	150,000	51,344	201,344
2026.....	145,000	44,645	189,645
2027.....	145,000	38,444	183,444
2028.....	145,000	32,245	177,245
2029.....	145,000	26,756	171,756
2030.....	115,000	21,156	136,156
2031.....	115,000	16,155	131,155
2032.....	75,000	11,156	86,156
2033.....	75,000	8,625	83,625
2034.....	75,000	5,625	80,625
2035.....	75,000	2,625	77,625
Total.....	\$ 17,960,215	\$ 3,463,010	\$ 21,423,225

WATER ENTERPRISE FUND, DEBT SERVICE PAYMENTS

Year	Principal	Interest	Total
2016.....	\$ 752,137	\$ 334,228	\$ 1,086,365
2017.....	720,000	304,077	1,024,077
2018.....	575,000	273,548	848,548
2019.....	545,000	248,567	793,567
2020.....	545,000	225,237	770,237
2021.....	530,000	202,611	732,611
2022.....	485,000	180,637	665,637
2023.....	485,000	159,786	644,786
2024.....	405,000	136,886	541,886
2025.....	405,000	120,039	525,039
2026.....	400,000	101,136	501,136
2027.....	400,000	84,485	484,485
2028.....	400,000	67,836	467,836
2029.....	400,000	52,229	452,229
2030.....	195,000	36,238	231,238
2031.....	195,000	27,788	222,788
2032.....	130,000	19,338	149,338
2033.....	130,000	14,950	144,950
2034.....	130,000	9,750	139,750
2035.....	130,000	4,550	134,550
Total.....	\$ 7,957,137	\$ 2,603,916	\$ 10,561,053

The Town is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for principal in the amount of \$4,370,723 and interest costs for \$1,862,851. Thus, net MCWT loan repayments, including interest, are scheduled to be \$10,017,725. The principal subsidies are guaranteed and therefore intergovernmental receivables and corresponding revenues were reported in the year the debt was issued. The remaining principal subsidies to be recognized at year end were \$4,290,330 and \$90,616 which are reported in the Sewer Enterprise and Water Enterprise Funds, respectively.

Since the Town is legally obligated for the total amount of the debt, such amounts have been reported in the accompanying basic financial statements. The 2015 principal subsidies recognized in the Sewer Enterprise and Water Enterprise Funds are \$521,787 and \$10,223, respectively. The 2015 interest subsidies are \$608,519 and \$10,933, 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, 2015, the Town had the following authorized and unissued debt:

Purpose	Amount
Beach Improvements.....	\$ 2,727,000
Title V.....	300,000
Schools and Senior Center.....	79,241,094
Wannos Pond Well & Pump.....	100,000
Culvert and Bridge Construction.....	700,000
T-Wharf Construction.....	1,250,000
Federal Furnace HVAC.....	1,380,000
Samoset Street Sewer.....	5,189,681
Water Main Jacket.....	97,863
1820 Courthouse Reconstruction.....	4,000,000
Waterfront Promenade Design.....	1,200,000
Plymco Dam Removal.....	730,743
Traffic Signal Installation.....	350,000
Municipal Center Design/Construction.....	30,000,000
Warren Avenue Sewer Extension.....	190,000
Samoset Water Tank Restoration.....	700,000
Stephen's Field Renovation.....	2,000,000
Airport Hanger Purchase.....	510,000
Water Meter Replacement Program.....	4,500,000
School Street Retaining Wall.....	1,250,000
Total.....	\$ 136,416,381

Changes in Long-Term Liabilities

During the year ended June 30, 2015, the following changes occurred in long-term liabilities:

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Current Portion
Governmental Activities:					
Long-Term Bonds.....	\$ 85,369,232	\$ 39,363,063	\$ (6,646,830)	\$ 118,085,465	\$ 8,367,402
Add: unamortized premium.....	6,139,964	2,212,132	(744,608)	7,607,488	864,077
Total Long-Term Debt.....	91,509,196	41,575,195	(7,391,438)	125,692,953	9,231,479
Compensated Absences.....	1,604,000	306,400	(160,400)	1,750,000	175,000
Landfill Closure.....	750,000	-	(50,000)	700,000	50,000
Other Postemployment Benefits.....	109,464,084	36,902,110	(15,098,160)	131,268,034	-
Net Pension Liability.....	110,415,618	5,273,513	-	115,689,131	-
Total governmental activity long-term liabilities.....	\$ 313,742,898	\$ 84,057,218	\$ (22,699,998)	\$ 375,100,118	\$ 9,456,479
Business-Type Activities:					
Long-Term Bonds.....	\$ 24,598,058	\$ 4,201,937	\$ (2,882,643)	\$ 25,917,352	\$ 3,160,951
Add: unamortized premium.....	246,180	275,261	(40,664)	480,777	62,906
Total Long-Term Debt.....	24,844,238	4,477,198	(2,923,307)	26,398,129	3,223,857
Compensated Absences.....	106,000	12,600	(10,600)	108,000	10,800
Other postemployment Benefits.....	2,619,169	949,359	(444,316)	3,124,212	-
Net Pension Liability.....	4,658,382	222,487	-	4,880,869	-
Total business-type activity long-term liabilities.....	\$ 32,227,789	\$ 5,661,644	\$ (3,378,223)	\$ 34,511,210	\$ 3,234,657

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, 2015, the governmental fund balances consisted of the following:

	GOVERNMENTAL FUNDS					Total Governmental Funds
	General	Community Preservation	Town Building/Land Capital	Excluded Debt Projects	Nonmajor Governmental Funds	
FUND BALANCES						
Nonspendable:						
Permanent fund principal.....	\$ -	\$ -	\$ -	\$ -	\$ 1,396,594	\$ 1,396,594
Restricted for:						
Community preservation.....	-	4,784,212	-	-	-	4,784,212
Unamortized premiums on long-term debt.....	2,279,183	-	-	-	-	2,279,183
Excluded debt projects.....	-	-	-	21,578,413	-	21,578,413
Town capital projects.....	-	-	-	-	1,041,050	1,041,050
School capital projects.....	-	-	-	-	63,325	63,325
Town state grants.....	-	-	-	-	493,013	493,013
Town revolving.....	-	-	-	-	4,068,930	4,068,930
Town gifts.....	-	-	-	-	1,009,958	1,009,958
Town title V.....	-	-	-	-	720,425	720,425
Town other.....	-	-	-	-	2,406,598	2,406,598
School lunch.....	-	-	-	-	305,406	305,406
School state grants.....	-	-	-	-	1,432,685	1,432,685
School revolving.....	-	-	-	-	2,465,098	2,465,098
Permanent funds.....	-	-	-	-	347,713	347,713
Committed to:						
General government.....	906,376	-	-	-	-	906,376
Public safety.....	1,010,336	-	-	-	-	1,010,336
Education.....	100,538	-	-	-	-	100,538
Public works.....	2,526,986	-	-	-	-	2,526,986
Culture and recreation.....	177,230	-	-	-	-	177,230
Assigned to:						
General government.....	84,762	-	-	-	-	84,762
Public safety.....	43,583	-	-	-	-	43,583
Education.....	990,163	-	-	-	-	990,163
Public works.....	152,242	-	-	-	-	152,242
Human services.....	30,774	-	-	-	-	30,774
Free cash used for subsequent year budget.....	3,719,616	-	-	-	-	3,719,616
Unassigned.....	18,773,948	-	(2,671,129)	-	(743,157)	15,359,662
TOTAL FUND BALANCES.....	\$ 30,795,737	\$ 4,784,212	\$ (2,671,129)	\$ 21,578,413	\$ 15,007,638	\$ 69,494,871

NOTE 10 - STABILIZATION FUND

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

At year end, the balance of the General Stabilization Fund is \$9,040,818 and is reported as unassigned fund balance within the General Fund. During 2015, the fund earned \$210,295 of investment income. The general stabilization fund balance can be used for general and/or capital purposes upon Town Meeting approval.

At year end, the balance of the Nuclear Plant Mitigation Stabilization Fund is \$2,361,006 and is reported as unassigned fund balance within the General Fund. During 2015, the Town transferred in \$1,320,000 and the fund earned \$22,549 of investment income. The nuclear plant mitigation 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 \$175,000. At June 30, 2015, the amount of the liability for health and dental insurance claims totaled \$2,195,000. This liability is the best estimate based on available information. Changes in the reported liability since July 1, 2013, are as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End
Year 2014.....	\$ 2,096,000	34,780,308	(34,676,308)	2,200,000
Year 2015.....	2,200,000	34,294,025	(34,299,025)	2,195,000

NOTE 12 - PENSION PLAN

Plan Descriptions

The Town is a member of the Plymouth Contributory Retirement System (PCRS), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 2 member units. The System is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The System is a component unit and is reported as a pension trust fund in the fiduciary fund financial statements.

The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for 100% of the contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives and Quincy College. The MTRS is part of the Commonwealth's reporting entity and the audited financial report may be obtained by visiting <http://www.mass.gov/osc/publications-and-reports/financial-reports/>.

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Town to the MTRS.

Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2014. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$9,152,541 is reported in the general fund as intergovernmental revenue and employee benefits in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the Town is \$131,739,010 as of the measurement date.

Benefits Provided

Both Systems provide retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain exceptions, uniform from system to system. The Systems provide for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

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 Board and are borne by the System.

There have been no changes in benefit terms that effect measurement of the total pension liability as of December 31, 2014.

At December 31, 2014, the System's membership consists of the following:

Active members.....	864
Inactive members.....	170
Disabled members.....	89
Retirees and beneficiaries currently receiving benefits.....	<u>559</u>
Total.....	<u><u>1,682</u></u>

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the PCRS a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll.

The total member units' contribution for the year ended December 31, 2014 was \$9,996,000, 27.97% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The Town's proportionate share of the required contribution was \$9,790,000, while its actual contribution was \$9,834,000.

Pension Liabilities

The components of the net pension liability of the participating member units at December 31, 2014, were as follows:

Total pension liability.....	\$ 267,529,000
The pension plan's fiduciary net position.....	<u>(144,911,000)</u>
The net pension liability.....	<u>\$ 122,618,000</u>
The pension plan's fiduciary net position as a percentage of the total pension liability.....	54.17%

At June 30, 2015, the Town reported a liability of \$120,570,000 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2013. Accordingly, update procedures were used to roll forward the total pension liability to the measurement date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At December 31, 2014, the Town's proportion was 98.3%, which did not change from its proportion measured at December 31, 2013.

Pension Expense

For the year ended June 30, 2015, the Town recognized pension expense of \$12,026,000. At June 30, 2015, the Town reported deferred outflows of resources related to pensions of \$3,304,000, from the net difference between projected and actual investment earnings on pension plan investments. Since the System performs an actuarial valuation biennially, there are no reported differences between expected and actual experience. There were no reported changes in assumptions as of December 31, 2014.

The Town's deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2016.....	\$ 825,972
2017.....	825,972
2018.....	825,972
2019.....	<u>826,084</u>
Total.....	<u>\$ 3,304,000</u>

Actuarial Assumptions

The total pension liability in the January 1, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was updated to December 31, 2014:

Valuation date.....	January 1, 2013. Actuarial liabilities were rolled forward to the December 31, 2014 measurement date.
Actuarial cost method.....	Entry Age Normal Cost Method.
Amortization method.....	Payments increase at 8.0% per year until fiscal year 2031 with a final amortization payment in fiscal year 2032.
Remaining amortization period.....	17 years from July 1, 2015.
Asset valuation method.....	Market value. For funding purposes, gains and losses each year are recognized over 4 years.
Inflation rate.....	Not explicitly assumed.
Projected salary increases.....	Select and ultimate by job group; ultimate rates of 4.25% for Group 1 and 4.75% for Group 4.
Cost of living adjustments.....	3.0% of the first \$14,000 of retirement income.
Rates of retirement.....	Varies based upon age for general employees, police and fire employees.
Mortality Rates.....	Pre-retirement rates reflect the RP-2000 Employees table projected 20 years with Scale AA (gender distinct). Post-retirement rates reflect the RP-2000 Healthy Annuitant table projected 15 years with Scale AA (gender distinct). For disabled retirees, this table is set forward 2 years.
Investment rate of return/Discount rate....	7.75%, net of pension plan investment expense, including inflation.

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation for a 7-10 year outlook as of December 31, 2014, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
Core fixed income.....	3.50%	20.50%
High-yield fixed income.....	5.25%	4.50%
Domestic large cap.....	7.75%	24.00%
Domestic small cap.....	8.05%	9.00%
International developed markets equity.....	8.00%	19.00%
International emerging markets equity.....	9.25%	3.00%
Real estate.....	6.75%	10.00%
Hedge funds.....	6.50%	5.00%
Private equity.....	8.75%	<u>5.00%</u>
Total target allocation.....		<u><u>100.00%</u></u>

Rate of Return

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.23%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net position liability, calculated using the discount rate of 7.75%, as well as what the net position liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount (7.75%)	1% Increase (8.75%)
The Town's proportionate share of the net pension liability....	\$ <u>147,948,000</u>	\$ <u>120,570,000</u>	\$ <u>96,893,000</u>
The System's total net pension liability.....	\$ <u>150,461,000</u>	\$ <u>122,618,000</u>	\$ <u>98,539,000</u>

NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description - The Town of Plymouth administers a single-employer defined benefit healthcare plan (Retiree Health Plan). The plan provides lifetime healthcare and life insurance for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members. Chapter 32b of the MGL assigns authority to establish and amend benefit provisions of the plan.

Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

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

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

Funding Policy—Contribution requirements are also negotiated between the Town and union representatives. Retired plan members and beneficiaries currently receiving benefits are required to contribute 1%, 10%, or 20% of the cost of benefits provided and the Town contributes the remaining premium costs and may contribute additional amounts to pre-fund benefits. Administrative costs of the Plan are assumed to be included in the fully insured premium rates. For 2015, contributions to the plan totaled approximately \$15,542,000.

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.....	\$ 37,391,228
Interest on existing net OPEB obligation.....	4,483,329
Adjustments to annual required contribution.....	<u>(4,023,088)</u>
Annual OPEB cost (expense).....	37,851,469
Contributions made.....	<u>(15,542,476)</u>
Increase in net OPEB obligation.....	22,308,993
Net OPEB obligation - beginning of year.....	<u>112,083,253</u>
Net OPEB obligation - end of year.....	<u><u>\$ 134,392,246</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:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2015	\$ 37,851,469	41.6%	\$ 134,392,246
6/30/2014	36,343,306	43.9%	112,083,253
6/30/2013	32,353,677	44.8%	90,531,876

Funded Status and Funding Progress - The funded status of the Plan for the current and two preceding years, is as follows:

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

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

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

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

NOTE 14 - LANDFILL CLOSURE COSTS

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

The Manomet and Cedarville landfill sites have been closed and capped since 1998 and 1995, respectively. Annual monitoring is performed at these sites and the estimated future liability for post-closure care is \$700,000.

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

NOTE 15 - COMMITMENTS

During 2015, the Town entered into a new long-term contract with South Eastern Massachusetts Partnership (SEMASS) to provide solid waste disposal services through 2021, with additional one-year extension options up to an additional five years. Total charges are based on a formula of tipping and transport fees with costs rising 2.5% annually. Actual expenditures under this contract for 2015 were approximately \$252,000.

The Town has entered into, or is planning to enter into, contracts totaling approximately \$136.4 million for the construction of Plymouth South High School, for various beach improvements, for school HVAC repairs, for 1820 courthouse reconstruction, and for the municipal center design/construction.

NOTE 16 - CONTINGENCIES

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2015, 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, 2015 cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2015.

NOTE 17 – SUBSEQUENT EVENTS

Subsequent to year end, the Towns sewer main running north and south along route 3 experienced a break on December 19, 2015, followed by two additional breaks in other sections of the sewer main. The three breaks were in different sections of the system due to corrosion and the Town has determined main to be a “total loss”. The expected cost to build an entirely new sewer main is between \$30 to \$50 million dollars. The Town has also begun planning and will be soon implementing environmental cleanup efforts at all three break sites.

Management has evaluated subsequent events through March 18, 2016, which is the date the financial statements were available to be issued.

NOTE 18 – CHANGES IN NET POSITION

Beginning net position of governmental activities, business-type activities and each applicable enterprise fund has been revised to reflect the implementation of GASB Statements #67, #68 and #71. The revised balances are summarized in the following table:

Description	6/30/2014 Previously Reported Balances	Implementation of GASB's #67, #68 & #71	6/30/2014 Revised Balances
Government-Wide Financial Statements			
Governmental activities.....	\$ 169,428,849	\$ (110,415,618)	\$ 59,013,231
Business-type activities.....	<u>71,351,924</u>	<u>(4,658,382)</u>	<u>66,693,542</u>
Total.....	<u>\$ 240,780,773</u>	<u>\$ (115,074,000)</u>	<u>\$ 125,706,773</u>
Proprietary Fund Financial Statements			
Water enterprise.....	\$ 36,683,700	\$ (2,320,994)	\$ 34,362,706
Sewer enterprise.....	21,958,086	(647,904)	21,310,182
Airport enterprise.....	11,086,876	(1,074,386)	10,012,490
Solid waste enterprise.....	<u>1,623,262</u>	<u>(615,098)</u>	<u>1,008,164</u>
Total.....	<u>\$ 71,351,924</u>	<u>\$ (4,658,382)</u>	<u>\$ 66,693,542</u>

NOTE 19 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2015, the following GASB pronouncements were implemented:

- GASB Statement #67, *Financial Reporting for Pension Plans*; GASB Statement #68, *Accounting and Financial Reporting for Pensions*; and GASB Statement #71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Financial statement changes include the recognition of a net pension liability, pension expense and deferred outflows/inflows of resources depending on the nature of the change each year. The financial statements also recognized a restatement of the beginning net position to reflect the net pension liability at the beginning of the year. The notes to the basic financial statements and the required supplementary information were expanded to include additional required schedules and disclosures.
- GASB Statement #69, *Governmental Combinations and Disposals of Government Operations*. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #72, *Fair Value Measurement and Application*, which is required to be implemented in 2016.
- The GASB issued Statement #73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The provisions of this Statement are effective for 2016—except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement 68, which is required to be implemented in 2017.

- The GASB issued Statement #74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which is required to be implemented in 2017.
- The GASB issued Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is required to be implemented in 2018.
- The GASB issued Statement #76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which is required to be implemented in 2016.
- The GASB issued Statement #77, *Tax Abatement Disclosures*, which is required to be implemented in 2017.

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

Required Supplementary Information

General Fund Budgetary Comparison Schedule

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

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Amounts Carried forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
REVENUES:							
Real estate and personal property taxes, net of tax refunds.....	\$ -	\$ 133,814,036	\$ 133,814,036	\$ 137,329,768	\$ 136,263,030	\$ -	\$ (1,066,738)
Tax liens.....	-	-	-	-	986,022	-	986,022
Motor vehicle and other excise taxes.....	-	7,330,000	7,330,000	7,330,000	7,984,084	-	654,084
Penalties and interest on taxes.....	-	675,000	675,000	675,000	679,256	-	4,256
Payments in lieu of taxes.....	-	60,000	60,000	60,000	65,771	-	5,771
Intergovernmental - federal.....	-	500,303	500,303	500,303	719,298	-	218,995
Intergovernmental - state.....	-	32,293,662	32,293,662	32,293,662	32,167,605	-	(126,057)
Departmental and other.....	-	5,369,073	5,369,073	5,328,482	6,204,447	-	875,965
Investment income.....	-	183,000	183,000	183,000	201,870	-	18,870
TOTAL REVENUES.....	-	180,225,074	180,225,074	183,700,215	185,271,383	-	1,571,168
EXPENDITURES:							
Current:							
General government.....	815,656	9,256,016	10,071,672	11,139,057	9,477,970	991,137	669,950
Public safety.....	721,474	20,417,199	21,138,673	22,704,340	21,364,152	1,053,919	286,269
Education.....	1,074,148	88,703,768	89,777,916	91,252,858	89,942,548	1,090,701	219,609
Public works.....	2,383,536	8,175,687	10,559,223	11,632,725	10,363,600	2,679,229	(1,410,104)
Human services.....	10,190	1,589,026	1,599,216	1,621,630	1,485,806	30,774	105,050
Culture and recreation.....	74,395	2,520,626	2,595,021	2,710,422	2,484,965	177,897	47,560
Pension benefits.....	-	9,797,679	9,797,679	9,797,679	9,797,679	-	-
Employee benefits.....	35,278	33,315,262	33,350,540	34,053,841	33,528,362	47,576	477,903
State and county charges.....	-	1,009,768	1,009,768	1,009,768	1,001,703	-	8,065
Debt service:							
Principal.....	-	6,636,095	6,636,095	6,636,095	6,616,094	-	20,001
Interest.....	-	4,659,637	4,659,637	3,914,767	3,903,054	-	11,713
TOTAL EXPENDITURES.....	5,114,677	186,080,763	191,195,440	196,473,182	189,965,933	6,071,233	436,016
EXCESS (DEFICIENCY) OF							
REVENUES OVER EXPENDITURES.....	(5,114,677)	(5,855,689)	(10,970,366)	(12,772,967)	(4,694,550)	(6,071,233)	2,007,184
OTHER FINANCING SOURCES (USES):							
Premium from issuance of bonds.....	-	-	-	-	763,621	-	763,621
Transfers in.....	-	3,099,089	3,099,089	3,082,546	3,082,546	-	-
Transfers out.....	-	(1,420,000)	(1,420,000)	(2,630,360)	(2,630,360)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	-	1,679,089	1,679,089	452,186	1,215,807	-	763,621
NET CHANGE IN FUND BALANCE.....	(5,114,677)	(4,176,600)	(9,291,277)	(12,320,781)	(3,478,743)	(6,071,233)	2,770,805
BUDGETARY FUND BALANCE, Beginning of year.....	-	23,084,657	23,084,657	23,084,657	23,084,657	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ (5,114,677)	\$ 18,908,057	\$ 13,793,380	\$ 10,763,876	\$ 19,605,914	\$ (6,071,233)	\$ 2,770,805

See notes to required supplementary information.

Pension Plan Schedules – Retirement System

The Pension Plan's Schedule of Changes in the Net Pension Liability presents multi-year trend information on the net pension liability and related ratios.

The Pension Plan's Schedule of Contributions presents multi-year trend information on the required and actual contributions to the pension plan and related ratios.

The Pension Plan's Schedule of Investment Return presents multi-year trend information on the money-weighted investment return on retirement assets, net of investment expense.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS
PLYMOUTH CONTRIBUTORY RETIREMENT SYSTEM**

	December 31, 2014
Total pension liability:	
Service cost.....	\$ 5,646,000
Interest.....	19,782,000
Changes in benefit terms.....	-
Differences between expected and actual experience.....	-
Changes in assumptions.....	-
Benefit payments, including refunds of employee contributions.....	(15,003,000)
Net change in total pension liability.....	10,425,000
Total pension liability, beginning.....	257,104,000
Total pension liability, ending (a)	\$ 267,529,000
Plan fiduciary net position:	
Member contributions.....	\$ 3,718,000
Employer contributions.....	9,996,000
Intergovernmental - COLA.....	205,000
Other additions.....	102,000
Transfers from other systems.....	103,000
Retirement benefits - 3(8)c contributions from other systems.....	320,000
Net investment income (loss).....	6,973,000
Benefit payments, including refunds of employee contributions.....	(15,003,000)
Administrative expenses.....	(536,000)
Transfers to other systems.....	(522,000)
Other decreases.....	(190,000)
Retirement benefits - 3(8)c contributions from to systems.....	(335,000)
Net increase (decrease) in fiduciary net position.....	4,831,000
Fiduciary net position at beginning of year.....	140,080,000
Fiduciary net position at end of year (b)	\$ 144,911,000
Net pension liability - ending (a) - (b)	\$ 122,618,000
Plan fiduciary net position as a percentage of the total pension liability.....	54.17%
Covered-employee payroll.....	\$ 35,741,000
Net pension liability as a percentage of covered-employee payroll.....	343.07%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for
which information is available.

See notes to required supplementary information.

SCHEDULE OF CONTRIBUTIONS
PLYMOUTH CONTRIBUTORY RETIREMENT SYSTEM

	December 31, 2014
Actuarially determined contribution..... \$	9,952,000
Contributions in relation to the actuarially determined contribution.....	9,996,000
Contribution deficiency (excess)..... \$	(44,000)
 Covered-employee payroll..... \$	 35,741,000
 Contributions as a percentage of covered- employee payroll.....	 27.97%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those
years for which information is available.

See notes to required supplementary information.

SCHEDULE OF INVESTMENT RETURN
PLYMOUTH CONTRIBUTORY RETIREMENT SYSTEM

December 31,
2014

Annual money-weighted rate of return, net of investment expense.....	5.23%
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Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those
years for which information is available.

See notes to required supplementary information.

Pension Plan Schedules - Town

The Schedule of the Town's Proportionate Share of the Net Pension Liability presents multi-year trend information on the Town's net pension liability and related ratios.

The Schedule of Town's Contributions presents multi-year trend information on the Town's required and actual contributions to the pension plan and related ratios.

The Schedule of Special Funding Amounts of the Net Pension Liability for the Massachusetts Teachers Contributory Retirement System presents multi-year trend information on the liability and expense assumed by the Commonwealth of Massachusetts on behalf of the Town along with related ratios.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
PLYMOUTH CONTRIBUTORY RETIREMENT SYSTEM**

	December 31, 2014
Town's proportion of the net pension liability.....	98.33%
Town's proportionate share of the net pension liability..... \$	120,570,000
Town's covered employee payroll..... \$	35,144,125
Net pension liability as a percentage of covered-employee payroll.....	343.07%
Plan fiduciary net position as a percentage of the total pension liability.....	54.17%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for
which information is available.

See notes to required supplementary information.

SCHEDULE OF TOWN'S CONTRIBUTIONS
PLYMOUTH CONTRIBUTORY RETIREMENT SYSTEM

	December 31, 2014
Actuarially determined contribution.....	\$ 9,790,000
Contributions in relation to the actuarially determined contribution.....	9,834,000
Contribution deficiency (excess).....	\$ (44,000)
 Covered-employee payroll.....	 \$ 35,144,125
 Contributions as a percentage of covered- employee payroll.....	 27.98%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those
years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE SPECIAL FUNDING AMOUNTS
OF THE NET PENSION LIABILITY
MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM**

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the Town; the portion of the collective pension expense as both a revenue and pension expense recognized by the Town; and the Plan's fiduciary net position as a percentage of the total liability.

Year	Commonwealth's 100% Share of the Net Pension Liability Associated with the Town	Town's Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Liability
2015.....	\$ 131,739,010	\$ 9,152,541	61.64%

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Other Postemployment Benefits Plan Schedules

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

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

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

OTHER POSTEMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
1/1/2013	\$ 612,214	\$ 492,791,598	\$ 492,179,384	0.12%	\$ 79,752,376	617.13%
1/1/2011	-	390,817,000	390,817,000	0.00%	79,643,000	490.71%
1/1/2009	-	379,285,000	379,285,000	0.00%	90,445,000	419.35%
7/1/2006	-	264,991,414	264,991,414	0.00%	82,015,000	323.10%

Schedule of Employer Contributions

Year	Annual Required Contribution	Actual Contributions Made	Total Percentage Contributed
2015	\$ 37,391,228	\$ 15,542,476	41.6%
2014	35,863,702	14,791,929	41.2%
2013	32,520,726	14,564,482	44.8%
2012	30,575,940	13,412,727	43.9%
2011	33,097,546	15,475,318	46.8%
2010	31,157,981	14,146,885	45.4%
2009	21,182,308	11,974,550	56.5%

See notes to required supplementary information.

OTHER POSTEMPLOYMENT BENEFIT PLAN
ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial Methods:

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

Plan Membership:

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

See notes to required supplementary information.

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

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

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

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

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

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original 2015 approved budget authorized approximately \$192.6 million of appropriations and other amounts to be raised. During 2015, the Town meeting also approved appropriation increases totaling approximately \$6.5 million.

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

B. Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2015, is presented below:

Excess (deficiency) of revenues and other financing sources (uses) over expenditures - budgetary basis.....	\$ (3,478,743)
<u>Perspective difference:</u>	
Stabilization Fund recorded in the General Fund for GAAP.....	1,552,844
<u>Basis of accounting differences:</u>	
Net change in recording tax refunds payable.....	59,000
Recognition of revenue for on-behalf payments.....	9,152,541
Recognition of expenditures for on-behalf payments.....	<u>(9,152,541)</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - GAAP basis.....	<u>\$ (1,866,899)</u>

C. Appropriation Deficits

Expenditures exceeded budgeted appropriations for public works expenditures for 2015. The appropriation deficits are based on snow and ice expenditures, which will be raised in 2015.

NOTE B – PENSION PLAN

Pension Plan Schedules – Retirement System

A. Schedule of Changes in the Net Pension Liability and Related Ratios

The Schedule of Changes in the Net Pension Liability and Related Ratios includes the detailed changes in the System's total pension liability, changes in the System's net position, and the ending net pension liability. It also demonstrates the plan's net position as a percentage of the total pension liability and the net pension liability as a percentage of covered payroll.

Since the retirement system performs an actuarial valuation bi-annually, there are no reported amounts for the changes in benefit terms, differences between expected and actual experience and changes in assumptions as of December 31, 2014.

B. Schedule of Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The total appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the System's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The total appropriations are payable on July 1 and January 1. Employers may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual employer contributions may be less than the "total appropriation". The pension fund appropriations are allocated amongst employers based on covered payroll.

C. Schedule of Investment Return

The money weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense. A money weighted rate of return expresses investment performance, net of

pension plan investment expense, adjusted for the changing amounts actually invested. Inputs to the money weighted rate of return calculation are determined monthly.

Pension Plan Schedules - Town

A. Schedule of the Town's Proportionate Share of the Net Pension Liability

The Schedule of the Town's Proportionate Share of the Net Pension Liability details the Town's allocated percentage of the net pension liability (asset), the Town's proportionate share of the net pension liability, and the Town's covered employee payroll. It also demonstrates the Town's net position as a percentage of the Town's pension liability and the Town's net pension liability as a percentage of the Town's covered payroll.

B. Schedule of Town's Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the System's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The appropriations are payable on July 1 and January 1. The Town may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual contributions may be less than the "total appropriation". The pension fund appropriation is allocated to the Town based on covered payroll.

C. Schedule of the Special Funding Amounts of the Net Pension Liabilities

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the Town; the portion of the collective pension expense as both revenue and pension expense recognized by the Town; and the Plan's fiduciary net position as a percentage of the total liability.

D. Changes in Assumptions

None

E. Changes in Plan Provisions

None

NOTE C - OTHER POSTEMPLOYMENT BENEFITS

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

The Town currently finances its other postemployment benefits (OPEB) on a pay-as-you-go basis. However, the Town has begun making pre-funding contributions to an OPEB trust fund. As a result, the funded ratio (actuarial value of assets expressed as a percentage of the actuarial accrued liability) is 0.12%. In accordance with Governmental Accounting Standards, the Town has recorded its OPEB cost equal to the actuarial determined

annual required contribution (ARC) which includes the normal cost of providing benefits for the year and a component for the amortization of the total unfunded actuarial accrued liability of the plan.

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

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

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

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