

FINAL OFFICIAL STATEMENT DATED JUNE 7, 2022

TOWN OF PLYMOUTH, MASSACHUSETTS

\$4,055,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES

Dated
June 28, 2022

Due
June 28, 2023

<u>Number</u>	<u>Award</u>	<u>Coupon Rate</u>	<u>Yield</u>	<u>CUSIP</u>
1	\$ 4,055,000	2.50%	1.75%	729654 WY5

Fidelity Capital Markets

Purchaser

The provisions of the accompanying PRELIMINARY OFFICIAL STATEMENT AND NOTICE OF SALE DATED MAY 31, 2022 supplemented and modified hereby, are incorporated in and made part of this Final Official Statement.

Hilltop Securities Inc.

Financial Advisor

PRELIMINARY OFFICIAL STATEMENT AND NOTICE OF SALE DATED MAY 31, 2022

In the opinion of Locke Lord LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Notes will not be included in computing the alternative minimum taxable income of individuals. Under existing law, interest on the Notes is exempt from Massachusetts personal income taxes, and the Notes are exempt from Massachusetts personal property taxes. The Notes will be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes. See "Tax Exemption" herein.

TOWN OF PLYMOUTH, MASSACHUSETTS \$4,055,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES

The Town of Plymouth, Massachusetts (the "Town"), will receive telephone and electronic bids at Hilltop Securities Inc. (617-619-4400) in the case of telephone bids and via PARITY in the case of electronic bids until 11:00 a.m. Eastern Time, Tuesday, June 7, 2022 for the purchase of the following described General Obligation Bond Anticipation Notes (the "Notes").

\$4,055,000 General Obligation Bond Anticipation Notes (new money). The Notes will be dated June 28, 2022 and will be payable June 28, 2023. Interest will be computed on a 30-day-month/360-day-year basis (360/360). The Notes will not be subject to redemption prior to their stated maturity date.

Bids may be submitted electronically via PARITY pursuant to this Notice of Sale until 11:00 a.m. Eastern Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about PARITY, potential bidders may contact Hilltop Securities Inc. (617) 619-4400 or PARITY at (212) 404-8102.

The Notes will be issued by means of a book-entry system, evidencing ownership of the Notes in principal amounts of \$1,000, or integral multiples thereof, with transfers of ownership effected on the records of The Depository Trust Company (DTC) and its participants pursuant to rules and procedures adopted by DTC (see "Book-Entry Transfer System"), unless the issuance of a fully registered note certificate is requested by the Successful Bidder and the issuance of such certificate is approved by the Town. Principal and interest will be payable upon maturity in federal reserve funds at U.S. Bank Trust Company, National Association, Boston, Massachusetts.

Bids for the Notes may be submitted for all or part of the Notes at a single or various rates of interest in multiples of one-hundredth (1/100) of one percent (1%). No bid of less than par and accrued interest to the date of delivery will be considered. **No coupon greater than 3.50% will be accepted.** The right is reserved to reject any and all bids not complying with this Notice of Sale and, so far as permitted by law, to waive any irregularity with respect to any bid. The Notes will be awarded on the basis of lowest net interest cost to the Town after deduction of premium, if any. Such cost will be determined by computing the total amount of interest payable on the Notes, at the rate or rates stated, from June 28, 2022 until the maturity of the Notes and deducting therefrom the sum, if any, by which the amount bid for the Notes exceeds the aggregate principal amount of the Notes. In the event that two or more bidders submit a bid providing the same lowest net interest cost to the Town, after deduction of premium, if any, the Town Treasurer shall award the Notes by lot from among all of such bidders. The award of the Bonds to the Successful Bidder will not be effective until the bid has been approved by the Treasurer and the Select Board of the Town.

An electronic bid made in accordance with this Notice of Sale shall be deemed an offer to purchase the Notes in accordance with the terms provided in this Notice of Sale and shall be binding upon the bidder as if made by a signed and sealed written bid delivered to the Town.

Any bidder who submits a winning bid by telephone in accordance with this Notice of Sale shall be required to provide written confirmation of the terms of the bid by e-mailing a completed, signed bid form to Hilltop Securities Inc., by not later than 12:00 Noon, eastern time, on the date of sale.

The Successful Bidder for the Notes may request that the Notes be issued in the form of one fully registered physical certificate, rather than in book-entry form through the facilities of DTC. The Successful Bidder seeking the issuance of the Notes in this manner shall bear any and all costs of any re-registration or transfer of Notes from time to time. Any bidder seeking to have the Notes issued in the form of a fully registered physical certificate or certificates, rather than in book-entry form, shall indicate this preference to the Town at the time of the submission of the winning bid. The Town reserves the right to decline any request to issue the Notes in non-book entry form if it should determine, in its sole discretion, that issuing the Notes in this manner is not in its best interests.

It shall be the condition of the Successful Bidder's obligation to accept delivery of and pay for the Notes that, contemporaneously with or before accepting the Notes and paying therefor, it shall be furnished, without cost, with (a) the approving opinion of the firm of Locke Lord LLP, Boston, Massachusetts, Bond Counsel to the Town, with respect to the Notes, (b) a certificate in form satisfactory to said firm, dated as of the date of delivery of the Notes and receipt of payment therefor, to the effect that there is no litigation pending, or to the knowledge of the signer or signers thereof, threatened affecting the validity of the Notes or the power of the Town to levy and collect taxes to pay them, (c) a certificate of the Town's Treasurer to the effect that, to the best of her knowledge and belief, both the Preliminary Official Statement as of its date and as of the date of sale and the Final Official Statement as of its date and as of the date of delivery of such Notes, do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and (d) a significant events disclosure certificate in the form described in the Official Statement.

Payment of the principal of and interest on the Notes is not limited to a particular fund or source of revenue nor is any lien or pledge for such payment created with respect to any such fund or source.

Establishment of Issue Price. The following applies to each Successful Bidder with respect to the portion of the Notes awarded to such Successful Bidder.

The Successful Bidder shall assist the Town in establishing the issue price of the Notes and shall execute and deliver to the Town on the Closing Date an "issue price" or similar certificate, substantially in the applicable form set forth in Exhibit 1 to this Notice of Sale, setting forth the reasonably expected initial offering price to the public or the actual sale price of the Notes, together with the supporting pricing wires or equivalent communications, or, if applicable, the amount bid, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Successful Bidder, the Town and Bond Counsel. All actions to be taken by the Town under this Notice of Sale to establish the issue price of the Notes may be taken on behalf of the Town by Hilltop Securities Inc. ("Financial Advisor") and any notice or report to be provided to the Town may be provided to the Financial Advisor.

Competitive Sale Requirements. If the competitive sale requirements ("competitive sale requirements") set forth in Treasury Regulation § 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Notes) have been satisfied, the Town will furnish to the Successful Bidder on the Closing Date a certificate of the Financial Advisor, which will certify each of the following conditions to be true:

1. the Town has disseminated this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
2. all bidders had an equal opportunity to bid;
3. the Town received bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
4. the Town awarded the sale of the Notes to the bidder who submitted a firm offer to purchase the Notes at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in the bid. Unless a bidder notifies the Town prior to submitting its bid by telephone to the Financial Advisor, telephone (617) 619-4400, or in its bid submitted via Parity, that it will not be an "underwriter" (as defined below) of the Notes, by submitting its bid, each bidder shall be deemed to confirm that it has an established industry reputation for underwriting new issuances of municipal bonds. Unless the bidder has notified the Town that it will not be an "underwriter" (as defined below) of the Notes, in submitting a bid, each bidder is deemed to acknowledge that it is an "underwriter" that intends to reoffer the Notes to the public.

In the event that the competitive sale requirements are not satisfied, the Town shall so advise the Successful Bidder.

Failure to Meet the Competitive Sale Requirements – Option A – The Successful Bidder Intends to Reoffer the Notes to the Public and the 10% Test to Apply. If the competitive sale requirements are not satisfied and the Successful Bidder intends to reoffer the Notes to the public, the Successful Bidder may, at its option use the first price at which 10% of the Notes (the "10% Test") is sold to the public as the issue price of the Notes. The Successful Bidder shall advise the Financial Advisor if the 10% Test is satisfied as of the date and time of the award of the Notes. The Town will not require bidders to comply with the "hold-the-offering-price rule" set forth in the applicable Treasury Regulations and therefore

does not intend to use the initial offering price to the public as of the Sale Date as the issue price of the Notes if the competitive sale requirements are not met and this option is chosen.

If the competitive sale requirements are not satisfied, then until the 10% Test has been satisfied as to Notes or all of the Notes are sold to the public, the Successful Bidder agrees to promptly report to the Financial Advisor the prices at which the unsold Notes have been sold to the public, which reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% Test has been satisfied for the Notes or until all the Notes have been sold. The Successful Bidder shall be obligated to report each sale of Notes to the Financial Advisor until notified in writing by the Town or the Financial Advisor that it no longer needs to do so.

By submitting a bid and if the competitive sale requirements are not met, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Notes allotted to it until it is notified by the Successful Bidder that either the 10% Test has been satisfied as to the Notes or all of the Notes have been sold to the public, if and for so long as directed by the Successful Bidder and as set forth in the related pricing wires and (ii) any agreement among underwriters relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such third-party distribution agreement to report the prices at which it sells to the public the unsold Notes allotted to it until it is notified by the Successful Bidder or such underwriter that either the 10% Test has been satisfied as to the Notes or that all of the Notes have been sold to the public if and for so long as directed by the Successful Bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Notes to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

1. "public" means any person other than an underwriter or a related party,
2. "underwriter" means (A) any person, including the Successful Bidder, that agrees pursuant to a written contract with the Town (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the public), and
3. a purchaser of any of the Notes is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

Failure to Meet the Competitive Sale Requirements — Option B — The Successful Bidder Intends to Reoffer the Notes to the Public and Agrees to Hold the Price of Maturities of Notes for Which the 10% Test in Option A Is Not Met as of the Sale Date. The Successful Bidder may, at its option, notify the Financial Advisor in writing, which may be by email (the "Hold the Price Notice"), not later than 4:00 p.m. eastern time on the Sale Date, that it has not sold 10% of the Notes listed in the Hold the Price Notice (the "Unsold Maturities") and that the Successful Bidder will not offer the Unsold Maturities to any person at a price that is higher than the initial offering price to the public during the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date or (ii) the date on which the Successful Bidder has sold at least 10% of the applicable Unsold Maturity to the public at a price that is no higher than the initial offering price to the public. If the Successful Bidder delivers a Hold the Price Notice to the Financial Advisor, the Successful Bidder must provide to the Town on or before the Closing Date, in addition to the certification described in Option A above, evidence that each underwriter of the Notes, including underwriters in an underwriting syndicate or selling group, has agreed in writing to hold the price of the Unsold Maturities in the manner described in the preceding sentence.

Failure to Meet the Competitive Sale Requirements and/or the Successful Bidder Does Not Intend to Reoffer the Notes to the Public – Option C. If the Successful Bidder has purchased the Notes for its own account and will not distribute, reoffer or resell the Notes to the public, then, whether or not the competitive sale requirements were met, the offering price certificate will recite such facts and identify the price or prices at which the purchase of the Notes was made.

The purchaser(s) of the Notes will be furnished the opinion of Locke Lord LLP, Boston, Massachusetts approving the legality of the Notes. The opinion will also indicate that the Notes and the enforceability thereof may be subject to bankruptcy and other laws affecting creditor's rights and that their enforceability may be subject to the exercise of judicial discretion in appropriate cases. The Notes will be valid and binding general obligations of the Town of Plymouth, Massachusetts and unless paid from the bond proceeds in anticipation of which they are issued or from other sources, are payable as to both principal and interest from taxes which may be levied upon all the property within the territorial limits of the Town and taxable by it, subject to the limit imposed by Chapter 59, Section 21C of the General Laws.

It is anticipated that CUSIP identification numbers will be printed on the Notes. The Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

In order to assist bidders in complying with the requirements of paragraph (b)(5)(i)(C) of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will undertake to provide notices of certain significant events. A description of this undertaking is set forth in the Preliminary Official Statement.

THE NOTES WILL BE DESIGNATED AS “QUALIFIED TAX-EXEMPT OBLIGATIONS” FOR PURPOSES OF SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

Additional information concerning the Town and the Notes is contained in the Preliminary Official Statement dated May 31, 2022 to which prospective bidders are directed. The Preliminary Official Statement is provided for informational purposes and is not a part of this Notice of Sale. The Preliminary Official Statement has been deemed final by the Town except for the omission of the reoffering prices, interest rates, and other terms of the Notes depending on such matters, and the identity of the underwriters, but is subject to change without notice and to completion or amendment in a Final Official Statement. Copies of the Preliminary Official Statement may be obtained from Hilltop Securities Inc., 54 Canal Street, Boston, Massachusetts, 02114 telephone (617-619-4400). Within seven (7) business days following the award of the Notes and receipt of necessary information from the Successful Bidder(s), five (5) copies of the Final Official Statement will be made available to the Successful Bidder. Upon request, additional copies will be provided at the expense of the requester.

The Notes, in definitive form, will be delivered to DTC or the office of its custodial agent, or to the registered owner if a fully registered certificate or certificates is requested by the Successful Bidder and approved by the Town, on or about June 28, 2022 for credit to the Town in federal reserve funds.

TOWN OF PLYMOUTH, MASSACHUSETTS
/s/ Patricia Meachen, Treasurer

May 31, 2022

[Issue Price Certificate for Use If the Competitive Sale Requirements Are Met]

Town of Plymouth, Massachusetts
\$4,055,000 General Obligation Bond Anticipation Notes dated June 28, 2022

ISSUE PRICE CERTIFICATE AND RECEIPT

The undersigned, on behalf of _____ (the "Successful Bidder"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Notes") of the Town of Plymouth, Massachusetts (the "Issuer").

1. Reasonably Expected Initial Offering Prices.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Notes to the Public by the Successful Bidder are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Notes used by the Successful Bidder in formulating its bid to purchase the Notes. Attached as Schedule B is a true and correct copy of the bid provided by the Successful Bidder to purchase the Notes.

(b) The Successful Bidder was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Successful Bidder constituted a firm offer to purchase the Notes.

2. Defined Terms.

(a) *Maturity* means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Notes. The Sale Date of the Notes is June 7, 2022.

(d) *Underwriter* means (i) any person, including the Successful Bidder, that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the Public).

3. Receipt. The Successful Bidder hereby acknowledges receipt of the Notes and further acknowledges receipt of all certificates, opinions, and other documents required to be delivered to the Successful Bidder, before or simultaneously with the Notes, which certificates, opinions, and other documents are satisfactory to the Successful Bidder.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Successful Bidders interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Locke Lord LLP in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

Dated: _____, 2022

[NAME OF SUCCESSFUL BIDDER]

By: _____
 Name:
 Title:

SCHEDULE A
EXPECTED OFFERING PRICES
(To Be Attached)

SCHEDULE B
COPY OF SUCCESSFUL BIDDER'S BID
(To Be Attached)

**[Issue Price Certificate for Use If the Competitive Sale Requirements Are
Not Met and the 10% Test to Apply]
Town of Plymouth, Massachusetts
\$4,055,000 General Obligation Bond Anticipation Notes dated June 28, 2022**

ISSUE PRICE CERTIFICATE AND RECEIPT

The undersigned, on behalf of _____, (the “[Successful Bidder][Representative]”), on behalf of itself [and [NAMES OF OTHER UNDERWRITERS]] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Notes”) of the Town of Plymouth, Massachusetts (the “Issuer”).

1. Sale of the Notes. As of the date of this certificate, [except as set forth in the following paragraph,] for each Maturity of the Notes, the first price at which at least 10% of such Maturity of the Notes was sold to the Public is the respective price listed in Schedule A.

[Only use the next paragraph if the 10% Test has not been met or all of the Notes have not been sold for one or more Maturities of Notes as of the Closing Date.]

For each Maturity of the Notes as to which no price is listed in Schedule A, as set forth in the Notice of Sale for the Notes, until at least 10% of each such Maturity of the Notes is sold to the Public (the “10% Test”) or all of the Notes are sold to the Public, the [Successful Bidder][Representative] agrees to promptly report to the Issuer’s financial advisor, Hilltop Securities Inc. (the “Financial Advisor”) the prices at which the unsold Notes of each Maturity have been sold to the Public, which reporting obligation shall continue after the date hereof until the 10% Test has been satisfied for each Maturity of the Notes or until all the Notes of a Maturity have been sold. The [Successful Bidder][Representative] shall continue to report each sale of Notes to the Financial Advisor until notified by email or in writing by the Issuer or the Financial Advisor that it no longer needs to do so.

2. Defined Terms.

(a) *Maturity* means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Underwriter* means (i) any person, including the [Successful Bidder][Representative], that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the Public).

3. Receipt. The [Successful Bidder][Representative] hereby acknowledges receipt of the Notes and further acknowledges receipt of all certificates, opinions, and other documents required to be delivered to the [Successful Bidder][Representative], before or simultaneously with the Notes, which certificates, opinions, and other documents are satisfactory to the [Successful Bidder][Representative].

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the [Successful Bidder][Representative]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Locke Lord LLP in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

Dated: _____, 2022

[SUCCESSFUL BIDDER][REPRESENTATIVE]

By: _____

Name:

Title:

SCHEDULE A
SALE PRICES
(To be Attached)

**[Issue Price Certificate for Use If the Competitive Sale Requirements Are
Not Met and the Hold the Price Rule Is Used]**

**Town of Plymouth, Massachusetts
\$4,055,000 General Obligation Bond Anticipation Notes dated June 28, 2022**

ISSUE PRICE CERTIFICATE AND RECEIPT

The undersigned, on behalf of _____ (the “[Successful Bidder][Representative]”), on behalf of itself [and [NAMES OF OTHER UNDERWRITERS]] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Notes”) of the Town of Plymouth, Massachusetts (the “Issuer”).

- 1. Sale of the Notes.** As of the date of this certificate, [except as set forth in following paragraph,] for each Maturity of the Notes, the first price at which at least 10% of such Maturity of the Notes was sold to the Public is the respective price listed in Schedule A.

[Only use the next paragraph if the 10% Test has not been met as of the Sale Date.]

For each Maturity of the Notes as to which no price is listed in Schedule A (the “Unsold Maturities”), as set forth in the Notice of Sale for the Notes, the [Successful Bidder][Representative] and any other Underwriter did not [and will not] reoffer the Unsold Maturities to any person at a price that is higher than the initial offering price to the Public until the earlier of (i) _____, 2022 or (ii) the date on which the [Successful Bidder][Representative] or any other Underwriter sold at least 10% of each Unsold Maturity at a price that is no higher than the initial offering price to the Public.

2. Defined Terms.

(a) *Maturity* means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Underwriter* means (i) any person, including the [Successful Bidder][Representative], that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the Public).

- 3. Receipt.** The [Successful Bidder][Representative] hereby acknowledges receipt of the Notes and further acknowledges receipt of all certificates, opinions and other documents required to be delivered to the [Successful Bidder][Representative], before or simultaneously with the delivery of the Notes, which certificates, opinions and other documents are satisfactory to the [Successful Bidder][Representative].

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the [Successful Bidder's][Representative's] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Locke Lord LLP in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

Dated: _____, 2022

[SUCCESSFUL BIDDER][REPRESENTATIVE]

By: _____
Name:
Title:

SCHEDULE A
SALE PRICES
(To be Attached)

**PRELIMINARY OFFICIAL STATEMENT
TOWN OF PLYMOUTH, MASSACHUSETTS
\$4,055,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES**

This Preliminary Official Statement is provided for the purpose of presenting certain information relating to the Town of Plymouth, Massachusetts (the "Town") in connection with the sale of \$4,055,000 principal amount of its General Obligation Bond Anticipation Notes (the "Notes"). The information contained herein has been furnished by the Town except information attributed to another source.

Description of the Notes

The Notes will be dated June 28, 2022 and will be payable by U.S. Bank Trust Company, National Association, Boston, Massachusetts, or its successor, as Paying Agent, on June 28, 2023. The Notes are not subject to redemption prior to their stated maturity date. The Notes will bear interest payable at maturity, calculated on a 30 day-month/360 day-year basis (360/360), at the rate determined upon their sale in accordance with the Notice of Sale dated May 31, 2022. The Notes will be issued by means of a book-entry system evidencing ownership of the Notes in principal amounts of \$1,000, or integral multiples thereof, with transfers of ownership effected on the records of The Depository Trust Company (DTC) and its participants pursuant to the rules and procedures adopted by DTC, unless the delivery of a fully registered note certificate is requested by the Successful Bidder and the issuance of such certificate is approved by the Town. See "Book-Entry Transfer System" herein.

Authorization of the Notes and Use of Proceeds

The following sets forth the principal amounts, purposes, amounts originally authorized, dates of Town approval, and statutory authority for the current offering of Notes. Proceeds of the Notes may be transferred or re-appropriated to other capital projects to the extent projects are completed or abandoned and such proceeds remain unspent.

This Issue	Purpose	Total Amount Authorized	Date Approved	Statutory Authority (M.G.L., as amended)
\$ 20,000	Beach Restoration	3,200,000	6/10/1996	Ch. 44, s. 7(1)
325,000	DPW-Sewer Collection System Rehabilitation	1,000,000	4/6/2019	Ch. 44, s. 7(1)
90,000	DPW-Sewer Cordage Gravity Sewer Interceptor Relocation	1,300,000	4/6/2019	Ch. 44, s. 7(1)
600,000	Construction Fire Station Renovations	1,607,356	8/10/2020	Ch. 44, s. 7(1)
400,000	Manomet Zone Pipe Upgrades	5,100,000	10/17/2020	Ch. 44, s. 8(5)
1,300,000	Marine & Environmental Harbor Dredging	2,600,000	4/3/2021	Ch. 44, s. 7(1)
1,000,000	Fire Station #2	9,200,000	10/16/2021	Ch. 44, s. 7(1)
120,000	Indian Brook School Roof	4,000,000	10/16/2021	Ch. 44, s. 7(1) or Ch. 70B
100,000	Federal Furnace Elementary School Roof	3,800,000	10/16/2021	Ch. 44, s. 7(1) or Ch. 70B
100,000	West Elementary School Roof	3,800,000	10/16/2021	Ch. 44, s. 7(1) or Ch. 70B
<u>\$ 4,055,000</u>				

Tax Exemption

In the opinion of Locke Lord LLP, Bond Counsel to the Town ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is of the further opinion that interest on the Notes will not be included in computing the alternative minimum taxable income of Noteholders who are individuals. The Notes will be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on the Notes.

The Code imposes various requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. Failure to comply with these requirements may result in interest on the Notes being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Notes. The Town has covenanted to comply with such requirements to ensure that interest on the Notes will not be included in federal gross income. The opinion of Bond Counsel assumes compliance with these requirements.

Bond Counsel is also of the opinion that, under existing law, interest on the Notes is exempt from Massachusetts personal income taxes, and the Notes are exempt from Massachusetts personal property taxes. Bond Counsel has not opined as to other Massachusetts tax consequences arising with respect to the Notes. Prospective Noteholders should be aware, however, that the Notes are included in the measure of Massachusetts estate and inheritance taxes, and the Notes and the interest thereon are included in the measure of certain Massachusetts corporate excise and franchise taxes. Bond Counsel expresses no opinion as to the taxability of the Notes or the income therefrom or any other tax consequences arising with respect to the Notes under the laws of any state other than Massachusetts.

To the extent the issue price of any maturity of the Notes is less than the amount to be paid at maturity of such Notes (excluding amounts stated to be interest and payable at least annually over the term of such Notes), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Notes which is excluded from gross income for federal income tax purposes and is exempt from Massachusetts personal income taxes. For this purpose, the issue price of a particular maturity of the Notes is either the reasonably expected initial offering price to the public or the first price at which a substantial amount of such maturity of the Notes is sold to the public, as applicable. The original issue discount with respect to any maturity of the Notes accrues daily over the term to maturity of such Notes on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Notes. Noteholders should consult their own tax advisors with respect to the tax consequences of ownership of Notes with original issue discount, including the treatment of purchasers who do not purchase such Notes in the original offering to the public at the reasonably expected initial offering price or, if applicable, the first price at which a substantial amount of such Notes is sold to the public.

Notes purchased, whether at original issuance or otherwise, for an amount greater than the stated principal amount to be paid at maturity of such Notes, or, in some cases, at the earlier redemption date of such Notes ("Premium Notes"), will be treated as having amortizable note premium for federal income tax purposes and Massachusetts personal income tax purposes. No deduction is allowable for the amortizable note premium in the case of obligations, such as the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, a Noteholder's basis in a Premium Note will be reduced by the amount of amortizable note premium properly allocable to such Noteholder. Holders of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable note premium in their particular circumstances.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is exempt from Massachusetts personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Notes may otherwise affect the federal or state tax liability of a Noteholder. Among other possible consequences of ownership or disposition of, or the accrual or receipt of interest on, the Notes, the Code requires recipients of certain social security and certain railroad retirement benefits to take into account receipts or accruals of interest on the Notes in determining the portion of such benefits that are included in gross income. The nature and extent of all such other tax consequences will depend upon the particular tax status of the Noteholder or the Noteholder's other items of income, deduction, or exclusion. Bond Counsel expresses no opinion regarding any such other tax consequences, and Noteholders should consult with their own tax advisors with respect to such consequences.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the Massachusetts legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Notes will not have an adverse effect on the tax status of interest on the Notes or the market value or marketability of the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Notes from gross income for federal or state income tax purposes for all or certain taxpayers. Additionally, Noteholders should be aware that future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Notes for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Notes may be affected and the ability of Noteholders to sell their Notes in the secondary market may

be reduced. The Notes are not subject to special mandatory redemption, and the interest rate on the Notes is not subject to adjustment, in the event of any such change in the tax treatment of interest on the Notes.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

Book-Entry Transfer System

This section shall apply to Notes issued in book-entry form through the facilities of The Depository Trust Company, New York, NY ("DTC").

DTC will act as securities depository for the Notes. The Notes will be issued in fully-registered form registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Note certificate will be issued for each interest rate, each in the aggregate principal amount bearing such interest rate, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a rating of AA+ from S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of securities deposited with DTC must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each security deposited with DTC ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the securities deposited with DTC are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the securities deposited with DTC, except in the event that use of the book-entry system for such securities is discontinued.

To facilitate subsequent transfers, all securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the securities deposited with it; DTC's records reflect only the identity of the Direct Participants to whose accounts such securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the securities deposited with DTC unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer of such securities or its paying agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the issuer of such securities or its paying agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the issuer of such securities or its paying agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the issuer of such securities or its paying agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the issuer of such securities or its paying agent. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to Beneficial Owners.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

Security and Remedies

Full Faith and Credit. General obligation bonds and notes of a Massachusetts city or town constitute a pledge of its full faith and credit. Payment is not limited to a particular fund or revenue source. Except for "qualified bonds" as described below (see "*Serial Bonds and Notes*" under "TYPES OF OBLIGATIONS") and setoffs of state distributions as described below (see "*State Distributions*" below), no provision is made by the Massachusetts statutes for priorities among bonds and notes and other general obligations, although the use of certain moneys may be restricted.

Tax Levy. The Massachusetts statutes direct the municipal assessors to include annually in the tax levy for the next fiscal year "all debt and interest charges matured and maturing during the next fiscal year and not otherwise provided for [and] all amounts necessary to satisfy final judgments". Specific provision is also made for including in the next tax levy payments of rebate amounts not otherwise provided for and payment of notes in anticipation of federal or state aid, if the aid is no longer forthcoming.

The total amount of a tax levy is limited by statute. However, the voters in each municipality may vote to exclude from the limitation any amounts required to pay debt service on indebtedness incurred before November 4, 1980. Local voters may also vote to exempt specific subsequent bond issues from the limitation. (See "*Tax Limitations*" Under "PROPERTY TAXATION" below.) In addition, obligations incurred before November 4, 1980 may be constitutionally entitled to payment from taxes in excess of the statutory limit.

No Lien. Except for taxes on the increased value of certain property in designated development districts which may be pledged for the payment of debt service on bonds issued to finance economic development projects within such districts, no provision is made for a lien on any portion of the tax levy or any other moneys to secure particular bonds or notes or bonds and notes generally (or judgments on bonds or notes) in priority to other claims. Provision is made, however, for borrowing to pay judgments, subject to the General Debt Limit. (See "DEBT LIMITS" below.) Subject to the approval of the State Director of Accounts for judgments above \$10,000, judgments may also be paid from available funds without appropriation and included in the next tax levy unless other provision is made.

Court Proceedings. Massachusetts cities and towns are subject to suit on their general obligation bonds and notes and courts of competent jurisdiction have power in appropriate proceedings to order payment of a judgment on the bonds or notes from lawfully available funds or, if necessary, to order the city or town to take lawful action to obtain the required money, including the raising of it in the next annual tax levy, within the limits prescribed by law. (See "*Tax Limitations*" under "PROPERTY TAXATION" below.) In exercising their discretion as to whether to enter such an order, the courts could take into account all relevant factors including the current operating needs of the city or town and the availability and adequacy of other remedies. The Massachusetts Supreme Judicial Court has stated in the past that a judgment against a municipality can be enforced by the taking and sale of the property of any inhabitant. However, there has been no judicial determination as to whether this remedy is constitutional under current due process and equal protection standards.

Restricted Funds. Massachusetts statutes also provide that certain water, gas and electric, community antenna television system, telecommunications, sewer, parking meter and passenger ferry fee, community preservation and affordable housing receipts may be used only for water, gas and electric, community antenna television system, telecommunications, sewer, parking, mitigation of ferry service impacts, community preservation and affordable housing and related purposes,

respectively; accordingly, moneys derived from these sources may be unavailable to pay general obligation bonds and notes issued for other purposes. A city or town that accepts certain other statutory provisions may establish an enterprise fund for a utility, health care, solid waste, recreational or transportation facility and for police or fire services; under those provisions any surplus in the fund is restricted to use for capital expenditures or reduction of user charges. In addition, subject to certain limits, a city or town may annually authorize the establishment of one or more revolving funds in connection with use of certain revenues for programs that produce those revenues; interest earned on a revolving fund is treated as general fund revenue. A city or town may also establish an energy revolving loan fund to provide loans to owners of privately held property in the city or town for certain energy conservation and renewable energy projects and may borrow to establish such fund. The loan repayments and interest earned on the investment of amounts in the fund shall be credited to the fund. Also, the annual allowance for depreciation of a gas and electric plant or a community antenna television and telecommunications system is restricted to use for plant or system renewals and improvements, for nuclear decommissioning costs, and costs of contractual commitments, or, with the approval of the State Department of Telecommunications and Energy, to pay debt incurred for plant or system reconstruction or renewals. Revenue bonds and notes issued in anticipation of them may be secured by a prior lien on specific revenues. Receipts from industrial users in connection with industrial revenue financings are also not available for general municipal purposes.

State Distributions. State grants and distributions may in some circumstances be unavailable to pay general obligation bonds and notes of a city or town in that the State Treasurer is empowered to deduct from such grants and distributions the amount of any debt service paid on “qualified bonds” (See “*Serial Bonds and Notes*” under “TYPES OF OBLIGATIONS” below) and any other sums due and payable by the city or town to the Commonwealth or certain other public entities, including any unpaid assessments for costs of any public transportation authority (such as the Massachusetts Bay Transportation Authority or a regional transit authority) of which it is a member, for costs of the Massachusetts Water Resources Authority if the city or town is within the territory served by the Authority, or for charges necessary to meet obligations under the Commonwealth’s Clean Water and Drinking Water Revolving Loan Programs, including such charges imposed by another local governmental unit that provides wastewater collection or treatment services or drinking water services to the city or town.

If a city or town is (or is likely to be) unable to pay principal or interest on its bonds or notes when due, it is required to notify the State Commissioner of Revenue. The Commissioner shall in turn, after verifying the inability, certify the inability to the State Treasurer. The State Treasurer shall pay the due or overdue amount to the paying agent for the bonds or notes, in trust, within three days after the certification or one business day prior to the due date (whichever is later). This payment is limited, however, to the estimated amount otherwise distributable by the Commonwealth to the city or town during the remainder of the fiscal year (after the deductions mentioned in the foregoing paragraph). If for any reason any portion of the certified sum has not been paid at the end of the fiscal year, the State Treasurer shall pay it as soon as practicable in the next fiscal year to the extent of the estimated distributions for that fiscal year. The sums so paid shall be charged (with interest and administrative costs) against the distributions to the city or town.

The foregoing does not constitute a pledge of the faith and credit of the Commonwealth. The Commonwealth has not agreed to maintain existing levels of state distributions, and the direction to use estimated distributions to pay debt service may be subject to repeal by future legislation. Moreover, adoption of the annual appropriation act has sometimes been delayed beyond the beginning of the fiscal year and estimated distributions which are subject to appropriation may be unavailable to pay local debt service until they are appropriated.

Bankruptcy. Enforcement of a claim for payment of principal or interest on general obligation bonds or notes would be subject to the applicable provisions of federal bankruptcy laws and to the provisions of other statutes, if any, hereafter enacted by the Congress or the State legislature extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Massachusetts municipalities are not generally authorized by the Massachusetts General Laws to file a petition for bankruptcy under federal bankruptcy laws. In cases involving significant financial difficulties faced by a single city, town or regional school district, however, the Commonwealth has enacted special legislation to permit the appointment of a fiscal overseer, finance control board or, in the most extreme cases, a state receiver. In a limited number of these situations, such special legislation has also authorized the filing of federal bankruptcy proceedings, with the prior approval of the Commonwealth. In each case where such authority was granted, it expired at the termination of the Commonwealth’s oversight of the financially distressed city, town or regional school district. To date, no such filings have been approved or made.

Bank Eligibility

The Notes will be designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

Opinion of Bond Counsel

The purchaser will be furnished the legal opinion of the firm of Locke Lord LLP, Bond Counsel to the Town. The opinion will be dated and given on and will speak only as of the date of original delivery of the Notes to the Successful Bidder.

Other than as to matters expressly set forth herein as the opinion of Bond Counsel, Bond Counsel is not passing upon and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that they have independently verified the same.

Financial Advisory Services of Hilltop Securities Inc.

Hilltop Securities Inc., Boston, Massachusetts, serves as financial advisor to the Town.

Disclosure of Significant Events

In order to assist underwriters in complying with the requirements of paragraph (b)(5)(i)(C) of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule") applicable to municipal securities having a stated maturity of 18 months or less, the Town will covenant for the benefit of the owners of the Notes to file with the Municipal Securities Rulemaking Board (the "MSRB"), notices of the occurrence of any of the following events with respect to the Notes within ten business days of such occurrence: (a) principal and interest payment delinquencies; (b) non-payment related defaults, if material; (c) unscheduled draws on debt service reserves reflecting financial difficulties; (d) unscheduled draws on credit enhancements reflecting financial difficulties; (e) substitution of credit or liquidity providers, or their failure to perform; (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (g) modifications to rights of owners of the Notes, if material; (h) bond calls, if material, and tender offers; (i) defeasances; (j) release, substitution or sale of property securing the repayment of the Notes, if material; (k) ratings changes on the Notes; (l) bankruptcy, insolvency, receivership or similar event of the Town; (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (n) appointment of a successor or additional trustee or the change of name of a trustee, if material; (o) incurrence of a financial obligation of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect owners of the notes, if material; and (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

The covenant will be included in a Significant Events Disclosure Certificate to be executed by the signers of the Notes and incorporated by reference in the Notes. The sole remedy available to the owners of the Notes for the failure of the Town to comply with any provision of the certificate shall be an action for specific performance of the Town's obligations under the certificate and not for money damages; no other person shall have any right to enforce any provision of the certificate.

In the past five years, the Town believes that it has complied, in all material respects, with its previous undertakings to provide annual reports and notices of significant events in accordance with the Rule, with the exception of the instance noted below. Aside from the Town, there are no other obligated persons with respect to the Bonds.

The Town filed the Annual Report for the fiscal year ending June 30, 2017 on March 26, 2018. Such filing contained a draft balance sheet and draft statement of revenues, expenditures, and change in fund balance as of June 30, 2017, as the final audit was not yet available. The Annual Report filing for the fiscal year ending June 30, 2017 was subsequently amended on April 9, 2018 to include the final audited balance sheet and final audited statement of revenues, expenditures, and change in fund balance as of June 30, 2017; however, the final audit as of June 30, 2017 was not uploaded to EMMA until May 16, 2018. A notice of late filing has been uploaded to EMMA.

THE TOWN OF PLYMOUTH, MASSACHUSETTS

General

The Town of Plymouth is located in Plymouth County on the Atlantic Ocean approximately 38 miles southeast of the City of Boston. Plymouth is bordered by the Towns of Bourne on the south, Wareham on the southwest, Carver on the west, Kingston on the north, and on the southeast by the Atlantic Ocean. Plymouth is an historic landmark, being the birthplace of the nation in 1620. It was first an independent colony, the Pilgrim Republic, until 1692 when it became part of the Massachusetts Bay Colony. It is the originator of the town meeting form of government.

The Town, encompassing 103 square miles, is the largest municipality in the Commonwealth, with 37 miles of shoreline and three salt-water beaches. It is a popular summer resort and has many historical attractions, including Plymouth Rock and Plimoth Plantation. Plymouth is also a commercial center for wholesale and retail trade and has commercial fishing operating out of its port.

The principal highways serving the area are State Route 3 and U.S. Route 44. This results in the Town being adequately served by highways and good public roads that meet the requirements of modern transportation. Established trucking firms provide competitive freight service locally and to long-distance points. Freight service to Boston is provided by Conrail, making available Boston's docks, terminals and Logan International Airport.

Principal Executive Officers

Office	Name	Term and Manner of Selection	Term Expires
Select Board	Richard J. Quintal, Jr., Chair	Elected - 3 year term	2023
	Betty A. Cavacco, Vice Chair	Elected - 3 year term	2023
	Harry Helm	Elected - 3 year term	2024
	Charlie Bletzer	Elected - 3 year term	2025
	John Mahoney	Elected - 3 year term	2025
Town Manager	Derek Brindisi	Appointed	Indefinite
Finance Director	Lynne A. Barrett	Appointed	Indefinite
Town Accountant	Lynne A. Barrett	Appointed	Indefinite
Treasurer/Collector	Patricia Meachen	Appointed	Indefinite
Acting Town Clerk	Anna Messner	Appointed	N/A
Legal Counsel	KP Law, PC	Appointed	Indefinite

Municipal Services

The Town provides general governmental services for the territory within its boundaries including police and fire protection, refuse disposal, public education in grades pre-kindergarten-12, streets, water, sewer and various other services including parks and recreation. Certain services are provided by Plymouth County including a jail and house of correction and a registry of deeds and probate. (See "INDEBTEDNESS - Overlapping Debt," below.)

Corona Virus (COVID-19) Disclosure

COVID-19 is a respiratory disease caused by a novel coronavirus that has not previously been seen in humans. On March 10, 2020, the Governor of The Commonwealth of Massachusetts declared a state of emergency to support the Commonwealth's response to the outbreak. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. On March 13, 2020, the President declared a national emergency due to the outbreak, which has enabled disaster funds to be made available to states to fight the pandemic.

On March 15, 2020, the Governor announced emergency actions to help address the spread of the virus. Despite closing municipal buildings to the general public, the Town continues to and expects to continue to maintain all essential functions and services. The Select Board continues to meet on a regular basis, and the Town was able to hold its Annual Town Meeting virtually on August 10, 2020 and its Fall Town Meeting on October 17, 2020. The Town voted a balanced fiscal 2021 budget and set the fiscal 2021 tax rate in a timely manner.

In response to the COVID-19 pandemic, federal and state legislation was signed into law that provides various forms of financial assistance and other relief to state and local governments. For example, the U.S. Congress enacted the CARES

Act which includes various forms of financial relief. The Town was eligible to receive up to \$9,668,216 from the CARES Act and to date has incurred \$9,543,352 in COVID expenses.

Another action at the federal level was the American Rescue Plan Act of 2021 ("ARPA"). Among other provisions, ARPA provides \$350 billion to state and local governments to mitigate the fiscal disruptions created by the pandemic. Such funds may be used to replace revenues lost or reduced as a result of the pandemic and fund COVID-related costs, among other purposes. Although the actual amount allocable to the Town has not yet been determined, the Town expects to receive approximately \$9,472,098 in direct ARPA funds, as well as \$2,898,139 via Plymouth County in their first allocation phase. To date, the Select Board has approved various infrastructure, tourism and public health projects totaling \$11,276,300.

Pursuant to M.G.L. Chapter 44, Section 31, the Town has set up a fund specifically related to COVID-19 expenses. This fund can be used to capture all unbudgeted costs related to the COVID-19 pandemic and deficit spending for these costs, including but not limited to, overtime, cleaning and medical supplies, and IT equipment would be allowed, with the approval of the Commonwealth's Department of Revenue.

The virus and the resulting actions by national, state and local governments is altering the behavior of businesses and people in a manner that will have negative impacts on global and local economies. There can be no assurances regarding the extent to which COVID-19 will impact the national and state economies and, accordingly, how it will adversely impact municipalities, including the Town. These negative impacts are likely to include reduced income and sales taxes at the state level, which may impact the distribution of state financial assistance to the Town, and at the Town level, these negative impacts are likely to include reduced collections of property taxes and other revenues, including local meals and rooms tax revenue, motor vehicle excise taxes and other fees and charges collected by the Town. To mitigate the anticipated loss of revenue, the Town worked diligently to reduce its FY2021 budget with a number of furloughs and layoffs and other budget line reductions. Now that the vaccine is starting to reach its citizens, the Town hopes that it has seen the worst of the pandemic's impacts.

The Town's fiscal 2021 operating results were pleasantly surprising, the Town prepared for the worst but ended the year in a significant positive result as seen in our certified free cash of \$19 million. Revenues came in higher than expected and savings from budget exceeded our expectations due to COVID impacts.

School Building Capacity

The Town provides 8 elementary schools with a combined capacity of 4,050, two middle schools (see below) with capacities of 1,600 and 1,000, respectively, and two high schools with a combined capacity of 2,400.

On June 26, 2006, the Town authorized borrowing \$199,000,000 for construction of two new high schools and a senior center, subject in the case of the school projects to approval of grants from the Massachusetts School Building Authority. On September 19, 2006, the Town voted to exempt debt service on the projects from the limitations of Proposition 2 ½. The Town received a grant from the Massachusetts School Building Authority for \$37,773,711 in connection with the North High School project and \$45,876,526 in connection with the South High School project.

Public School Enrollments

	Actual				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Elementary	3,392	3,319	3,321	3,118	3,308
Middle School	1,759	1,778	1,759	1,704	1,578
Senior High	2,468	2,432	2,372	2,409	2,435
Total	<u>7,619</u>	<u>7,529</u>	<u>7,452</u>	<u>7,231</u>	<u>7,321</u>

Source: Superintendent of Schools.

Local Economy

The Plymouth Downtown/Harbor District is the historical commercial, cultural and governmental center of Plymouth. This area has been undergoing substantial renovation and reinvestment over the past decade. This is the result of a public/private partnership that brought new streets, sidewalks, utilities, signage, facades, benches and landscaping.

Recent development highlights include:

Residential: One new subdivision was created with 60 residential units and a subdivision modification resulted in the creation of 16 new residential units.

Approval Not Required: 35 plans were reviewed creating 19 new lots

Phase 1, 155 units of the 303-unit residential apartment complex in Cordage Park is complete and all units are occupied. Construction on Phase 2, 148 units, is underway and is expected to be occupied in spring 2022.

Construction of both The Oasis, a 320-unit 40B development on Home Depot Drive and the Walk a second 320-unit 40B on Plaza Way are under construction and expected to be occupied in the Fall of 2022

Construction of The Bradford, a 28-unit waterfront apartment, is complete. It includes 9,000 sf of retail and restaurant space.

Harborview - Water Street, includes a 300-seat restaurant, retail space, 24 room boutique hotel and 5 condominiums. Construction is complete, and the facility is occupied.

Three recreational marijuana retail facilities (includes a 6% local tax) and 3 transporters are approved. Two of the retail facilities and the transport facilities are operational. The third facility is expected to be operational in the Summer of 2022

Plymouth's economy remains very much tied to the sea through both commercial fishing and tourism, which share a unique coexistence along the Town's waterfront. Lured by the Town's many historical attractions, beaches and other recreational opportunities, Plymouth attracts approximately one million visitors each year, who's spending contributes greatly to the health of the local economy, making tourism one of Plymouth's leading industries. Recent studies conclude that tourism is a \$350,000,000 a year industry in Plymouth. In 2021 Plymouth saw the highest receipts from the Hotel/Motel with a total of \$2,388,500 which is 30 percent higher than the 2019 pre-pandemic receipts. \$199,042,000 in gross room rentals alone.

The residential real estate market remains very strong. In 2021, 575 new dwelling units were permitted. As of February 2022 permits have been issued for 1,385 new residential units.

A Market Basket supermarket and several smaller retail businesses have opened within the 300,000 square foot Cranberry Crescent plaza.

At 875,000 square feet of building space, Colony Place and its Life Style Center continue to be a major regional retail destination. New businesses constructed in Colony Place include a Men's Warehouse, Aldi's Market, an Xfinity store, Volvo, Best Jeep Dealership and a Mazda Car Dealership. Current businesses in Colony Place include: Super Walmart, Dick's Sporting Goods, Petco, Charming Charlies, Starbuck's Coffee, Olive Garden, Moe's Southwestern Grill, Super Cuts, Motherhood Maternity, The Children's Place, Justice for Girls, Icing, Panera Bread, Talbots, J Jill, Ann Taylor Loft, Lane Bryant Cacique, DSW Shoe, Ulta, La-Z-Boy, The Paper Store, Bath & Body Works, National Tire and Battery, Old Navy, Alden Park Bar and Grill, Bed Bath and Beyond, Jared Galleria of Jewelry, Kay Jewelers, Michael's, Red Robin, Sushi Joy, Best Buy, Aspen Dental and Visionworks, TGI Friday's, The Gyro Co., Portside Liquors, Mattress Firm and Setting the Space.

The recently opened 51 Commerce Place includes; Chick-Fil-A, Sleep Number, 110 Grill, Five Guys Burgers, AT&T, Chipotle, Jersey Mikes, and a new medical office building.

Located behind Colony Place, Sawyers Reach, a 224 active adult condominium community is 80% complete and occupied.

Pinehills Development

Despite the supply chain and labor challenges caused by the continuing COVID-19 pandemic, home sales at The Pinehills in 2021 remained strong with a total of 67 new homes sales resulting in an estimated \$49 million in new assessed property value for Plymouth. The total assessed value of The Pinehills (as of January 1, 2020) exceeds \$1.48 billion, resulting in “net” annual property tax and CPA revenue to the Town of Plymouth of over \$24 million. 2020 also saw the expansion of neighborhoods under construction including Symington Woods, Standing Rock and Veridian. Sales in the Vista Point and Briarwood neighborhoods by Toll Brothers remained strong and sale of custom home lots exceeded thirty, the most sold in any one year. The Planning Board approved a modified subdivision plan for the third phase of the Symington Woods Town Home neighborhood and Form A plans for two new neighborhoods, Snug Corner and Tinker’s Bluff off Long Ridge Road. Bozzuto Development in partnership with Pinehills commenced construction on the new mixed use multi-family apartment neighborhood located in the heart of the Village Green. Construction of the southern extension of Long Ridge Road was completed connecting the Ridge section of The Pinehills to Beaver Dam Road. Despite the ongoing challenges on business activity due to the COVID-19 pandemic, a total of 243 homes sales were completed in 2021, including both new homes and re-sales.

With the ongoing impact of the COVID-19 pandemic in the restaurant and hospitality field, we continued to provide “Dining on The Green” expanding outdoor dining space for the restaurants located at The Pinehills, providing much needed outdoor dining space to offset indoor occupancy limitations. The Village Green also served as an outdoor meeting space for residents and visitors and hosted a pop-up retail book shop, “Booked”, pop-up Arts Markets and a pop-up Beer Garden with Mayflower Beer for several Sundays during the fall. A modified Holidays on the Village Green returned with the beer garden, a Holiday Farmer’s Market and other outside activities.

Pinehills Golf Club continues to be ranked as the top public golf course facility in New England. In 2020 Golfer’s Choice ranked the Nicklaus Course and Jones Course at Pinehills Golf Club #1 and # 2 public courses in Massachusetts and ranked Nicklaus Course 4th and Jones Course 6th nationwide. Tournaments and banquet activities made a comeback in 2021 and the Club continues to welcome over 60,000 golfers annually.

The Pinehills Affordable Housing Charitable Trust partnered with Habitat for Humanity of Greater Plymouth funding a total of \$220,000 for the construction of three qualified affordable homes being on Long Pond Road, two of which were designated for veterans. The homes were completed and occupied by three families selected by Habitat.

The Pinehills Water Company was again recognized by MA DEP for its record of compliance with the laws and regulations governing public water suppliers. The Pinehills Post Office received the highest possible rating from the US Postal Service for customer service and compliance with post office operating rules and regulations.

Redbrook

As of December 2021, over 630 (includes the rental community) families call the Redbrook Community their home, the new South Plymouth Village developed by ADM Agawam Development LLC., a subsidiary of the A.D. Makepeace Company.

Phase I of the Redbrook Apartment Community opened in summer 2019 and remains fully leased. The apartment community is a joint venture between A.D. Makepeace Company and Campanelli of Braintree. The apartments are a well-received addition to Redbrook. In spring of 2021, Phase 2 was permitted with the Plymouth Planning Board which consists of 104 apartments, a dog park, pickleball court, and more outdoor living space. Like Phase I, the JV worked with the town’s Redevelopment Authority to implement an affordable housing component of the apartments. Phase II of the Apartment Community is currently underway and will be available for occupancy in fall of 2022.

In spring of 2021, Black Lantern Tavern broke ground. Black Lantern Tavern will be a casual Italian eatery open for lunch and dinner with a full bar. The new restaurant is set to open summer of 2022.

In summer 2021, the Old Colony YMCA broke ground on an outdoor pool which will open in time for summer 2022.

In the summer of 2021, a coffee/ bakery shop opened in The Meeting House. Cranberry Coffee Corner serves hot coffee and delicious baked goods and is run by a Redbrook resident/entrepreneur.

In the fall of 2021, that same resident opened the Redbrook General Store in The Meeting House. The Redbrook General store offers hot coffee, baked goods, fresh produce and dairy products like milk, yogurt, cheeses, and butter are in stock along with items like eggs, pasta, soups, snacks, cleaning supplies, teas, grocery items and so much more. Be sure to stop by and check it out!

Together, The Redbrook General Store along with the Cranberry Coffee Corner, and Black Lantern Tavern are great additions to Redbrook and the South Plymouth Community. They add to an existing variety of commercial amenities including the YMCA, Beth Israel Deaconess Primary Care Physicians Office, Long Pond Physical Therapy, and Rockland Trust.

In late 2020, a fourth builder partner, E.J. Pontiff, joined the Redbrook team, they offer three- and four-bedroom home styles ranging from 2,100 to 2,605 square feet. Additionally, a fifth builder partner, Barefoot Cottage Company joined the Redbrook team in 2021, introducing Nantucket style cottages ranges from 995 to 1,310 square feet. Introducing the larger spacious single-family homes and smaller cottage style single-family homes is a great complement to our current home styles by The Valle Group of East Falmouth, Whitman Homes of Canton, and The Stabile Companies of Nashua, NH.

As part of Redbrook's commitment to the Town the company has completed significant traffic mitigation at various locations listed below.

- Reconstructed and signalized intersection at Long Pond and Clark Road
- Plymouth South Elementary Ballfield
- Hybrid Pedestrian Crossing at South Elementary School
- Pedestrian Crossing at the Wild Lands Trust along Long Pond Road
- Bourne Road & Halfway Pond Road Realignment
- Long Pond Road and Pond Road Intersection Improvements

The plans for Halfway Pond Road, Long Pond Road, and Bloody Pond Road Intersection are currently under Town review. These improvements are schedule to be complete summer of 2022.

In addition to the variety of Residents and Commercial offering, the Redbrook Community has committee to an extensive Land Conservation program. As a result of the Redbrook Community over 1,600 acres of land will be preserved in its natural state. The community features over 1,000 acres of preserved forest, with walking trails, kayak launches, ponds for fishing, swimming and more. At buildout, annual town revenues will exceed \$14 million.

Other transportation infrastructure includes:

Plymouth Municipal Airport is a general aviation airport serving the recreational, corporate and business aviation needs for the Plymouth area and is a gateway to the community and southeastern Massachusetts. After recent capital projects, the airport now has two 4,350 foot runways, 155 based aircraft, and 16 based aviation companies with over 210 employees. Located on 785 acres, the municipal airport has an annual activity of approximately 60,000 takeoffs and landings, ranging from small recreational aircraft to corporate jet traffic. The airport is headquarters for the Massachusetts State Police Airwing and home to Boston Medflight helicopter service. As a gateway to the community, the airport is also used by a range of transient corporate aircraft.

Plymouth & Brockton Street Railway, provides daily bus service to Boston, Logan Airport and points along the south shore and Cape Cod.

The restoration of the Old Colony (MBTA) Commuter Rail in 1997 has created a positive development impact, connecting North Plymouth to Boston's South Station.

The Plymouth Area Link (PAL) is the local public transit service established in 1997, providing connections between the MBTA rail stations, as well as the Downtown Harbor District, Beth Israel Deaconess Hospital, Plymouth Public Library and the Plymouth Industrial Park.

Population

	Plymouth		Plymouth County		Massachusetts	
	Total	% Increase (Decrease)	Total	% Increase (Decrease)	Total	% Increase (Decrease)
2020	61,217	8.4%	530,819	7.3%	7,029,917	7.4%
2010	56,468	9.2	494,919	4.7	6,547,629	3.1
2000	51,701	13.4	472,822	8.6	6,349,097	5.5
1990	45,608	27.0	435,276	7.4	6,016,425	4.9
1980	35,913		405,437		5,737,037	

Source: U.S. Department of Commerce, Bureau of the Census.

Age, Income and Wealth Levels

The following table compares the age, income and wealth level averages among the Town of Plymouth, the Commonwealth and the United States as a whole:

	<u>Plymouth</u>	<u>Massachusetts</u>	<u>U.S.</u>
Median Age:			
2010	41.4	39.1	37.2
2000	36.5	36.5	35.3
1990	32.6	33.6	32.9
Median Family Income:			
2010	\$74,767	\$81,165	\$51,144
2000	63,266	61,664	50,046
1990	45,212	44,367	35,225
Per Capita Income:			
2010	\$33,163	\$33,966	\$27,334
2000	23,732	25,952	21,587
1990	15,882	17,224	14,420

Source: U.S. Department of Commerce, Bureau of Census.

Labor Force, Employment, and Unemployment Rate

According to the Massachusetts Department of Employment and Training, in March 2022, the Town had a total labor force of 34,777, of whom 33,148 were employed and 1,629 or 4.7% were unemployed as compared with 3.8% for the Commonwealth.

The following table sets forth the Town's average labor force and unemployment rates for calendar years 2017 through 2021 and the unemployment rates for Plymouth, the Commonwealth and the United States for the same period.

Year	<u>Town of Plymouth</u>			<u>Massachusetts</u>			<u>United States</u>	
	<u>Labor Force</u>	<u>Unemployment Rate</u>		<u>Unemployment Rate</u>			<u>Unemployment Rate</u>	
2021	33,849	5.8	%	5.7	%		5.4	%
2020	32,533	9.1		8.9			8.1	
2019	33,421	3.0		2.9			3.7	
2018	32,974	3.5		3.3			3.9	
2017	31,512	3.8		3.7			4.4	

Source: Massachusetts Division of Employment and Training.

Employment by Industry

Industry	<u>Calendar Year Average</u>				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Construction	1,390	1,478	1,506	1,590	1,632
Manufacturing	1,114	1,131	1,104	1,123	1,106
Trade, Transportation and Utilities	5,844	6,000	5,803	5,679	4,819
Information	526	530	542	519	504
Financial Activities	815	859	865	900	868
Professional and Business Services	1,879	1,783	1,705	1,744	1,659
Education and Health Services	7,197	7,532	7,778	7,818	7,442
Leisure and Hospitality	4,270	4,426	4,476	4,622	3,535
Other Services	859	905	934	969	827
Public Administration	1,514	1,548	1,595	1,620	1,719
Total Employment	25,408	26,192	26,308	26,584	24,111
Number of Establishments	1,821	1,859	1,896	1,919	1,959
Average Weekly Wages	\$ 921	\$ 967	\$ 953	\$ 1,036	\$ 1,058
Total Wages	\$ 1,217,117,422	\$ 1,317,432,572	\$ 1,304,984,162	\$ 1,434,752,315	\$ 1,329,731,792

Source: Massachusetts Department of Employment and Training. Data based upon place of employment, not place of residence. Due to the reclassification the U.S. Department of Labor now uses the North American Industry Classification System (NAICS) as the basis for the assignment and tabulation of economic data by industry.

Major Employers

<u>Employer</u>	<u>Sector</u>	<u>Number of Employees</u>
Plymouth, Town of	Government	1,000 – 4,999
Beth Israel Deaconess Hospital	Healthcare	500-999
Pilgrim Nuclear Station	Utility	500-999
Plymouth County Correctional	Correctional Facility	500-999
Plymouth County Sheriff	Law Enforcement	500-999
Tech Etch Inc.	Manufacturing	500-999
PA Landers Inc.	Retail	250-499
Plymouth Rehab & Healthcare.	Healthcare	250-499
Smartpak Equine LLC	Machinery/Equipment	250-499
Walmart Supercenter	Retail	250-499

Source: Executive Office of Labor and Workforce Development, February 2021.

Building Permits

Calendar Year	New Construction				Additions/Alterations Renovation		Total	
	Residential		Non-Residential		Residential and Non-Residential			
	No.	Value	No.	Value	No.	Value	No.	Value
2021	631	\$ 117,073,539	220	\$ 111,608,879	2,375	\$ 78,629,845	3,226	\$ 307,312,263
2020	574	82,075,664	297	89,300,885	1,945	66,424,563	2,816	237,801,112
2019	462	93,643,718	660	63,650,479	1,900	61,781,311	3,022	219,075,508
2018	412	117,668,649 (1)	326	57,755,145	1,891	62,416,474	2,629	237,840,268
2017	435	82,243,325	356	43,264,211	1,642	60,881,706	2,433	186,389,242

Source: Town of Plymouth Building Inspector.

(1) Increase attributable to several new condo, single family, and commercial developments, including Summer Reach, Sawyer's Reach, and Red Brook development projects.

Housing Values

Specified Owner-Occupied (One Unit, Detached or Attached):

	Plymouth		Plymouth County		Massachusetts	
	Number	Percent	Number	Percent	Number	Percent
Less than \$100,000	623	5.0 %	6,583	6.0 %	113,263	9.5 %
100,000 - 149,999	3,712	29.8	29,094	26.4	277,571	23.4
150,000 - 199,999	4,864	39.1	30,412	27.6	273,542	23.0
200,000 - 299,999	2,416	19.4	26,133	23.7	286,599	24.1
300,000 - 499,999	675	5.4	13,792	12.5	170,536	14.4
500,000 or more	153	1.2	4,210	3.8	66,360	5.6
Total	12,443	100.0 %	110,224	100.0 %	1,187,871	100.0 %
Median Value	\$166,300		\$179,200		\$185,700	

Source: Federal Census (2010)

Climate Resiliency

The Town has created a Climate Resiliency/Sustainability Planner position and will be seeking to fill this position in July 2022. The position will develop and administer programs, policies and initiatives to advance Plymouth's sustainability objectives. Specifically, this position is responsible for coordinating and implementing sustainability, adaptation, mitigation, resilience and energy saving programs within Plymouth's municipal, residential and commercial communities.

Cybersecurity

The Town has procedures and processes in place and regular employee training regarding cybersecurity.

PROPERTY TAXATION

The principal revenue source of Massachusetts cities and towns is the tax on real and personal property. The amount to be levied in each year is the amount appropriated or required by law to be raised for municipal expenditures less estimated receipts from other sources and less appropriations voted from funds on hand. The total amount levied is subject to certain limits prescribed by law; for a description of those limits, see "Tax Limitations," below.

The estimated receipts for a fiscal year from sources other than the property tax may not exceed the actual receipts during the preceding fiscal year from the same sources unless approved by the State Commissioner of Revenue. Excepting special funds the use of which is otherwise provided for by law, the deduction for appropriations voted from funds on hand for a fiscal year cannot exceed the "free cash" as of the beginning of the prior fiscal year as certified by the State Director of Accounts plus up to nine months' collections and receipts on account of earlier years' taxes after that date. Subject to certain adjustments, free cash is surplus revenue less uncollected overdue property taxes from earlier years.

Although an allowance is made in the tax levy for abatements (see "Abatements and Overlay," below), no reserve is generally provided for uncollectible real property taxes. Since some of the levy is inevitably not collected, this creates a cash deficiency which may or may not be offset by other items (see "Taxation to Meet Deficits," below).

Tax Levy Computation

The following table illustrates the manner in which the tax levy was determined for the following fiscal years:

	Fiscal 2022	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018
Total Appropriations	\$ 278,085,912	\$ 271,777,532	\$ 263,690,032	\$ 249,948,683	\$ 237,962,482
Additions:					
State and County Assessments	10,008,306	10,556,780	10,704,238	10,102,022	8,829,064
Overlay Reserve (1)	1,172,030	1,117,926	1,136,379	1,140,937	949,910
Other Additions	681,199	138,807	440,543	1,988,485	847,177
Total Additions	11,861,535	11,813,513	12,281,160	13,231,443	10,626,150
Gross Amount to be Raised	289,947,447	283,591,044	275,971,192	263,180,126	248,588,632
Deductions:					
Local Estimated Receipts	45,162,120	44,885,888	47,684,619	42,222,652	37,456,166
State Estimated Receipts (2)	33,440,129	34,260,489	34,998,686	34,859,524	33,361,983
Available Funds:					
Free Cash	13,420,720	6,600,025	5,331,303	5,397,156	7,168,538
Other	3,884,118	7,448,900	4,493,286	5,943,299	4,222,443
Total Deductions	95,907,087	93,195,301	92,507,894	88,422,632	82,209,129
Net Amount to be Raised (Tax Levy)	\$ 194,040,360	\$ 190,395,743	\$ 183,463,298	\$ 174,757,495	\$ 166,379,503
Tax Rate (per \$1,000 Assessed Value)	\$ 15.43	\$ 16.16	\$ 16.35	\$ 16.54	\$ 16.46

Source: Board of Assessors.

(1) Allowance for abatements.

(2) Includes state aid as well as other payments from the Commonwealth. Property tax rates may not be set by the local assessors until they have been approved by the Commissioner of Revenue.

Assessed Valuations

Property is classified for the purpose of taxation according to its use. The legislature has in substance created three classes of taxable property: (1) residential real property, (2) open space land, and (3) all other (commercial, industrial and personal property). Within limits, cities and towns are given the option of determining the share of the annual levy to be borne by each of the three categories. The share required to be borne by residential real property is at least 50 percent of its share of the total taxable valuation; the effective rate for open space must be at least 75 percent of the effective rate for residential real property; and the share of commercial, industrial and personal property must not exceed 175 percent of their share of the total valuation. A city or town may also exempt up to 20 percent of the valuation of residential real property (where used as the taxpayer's principal residence) and up to 10 percent of the valuation of commercial real property (where occupied by certain small businesses). Property may not be classified in a city or town until the State Commissioner of Revenue certifies that all property in the city or town has been assessed at its fair cash value. Such certification must take place every five years, or pursuant to a revised schedule as may be issued by the Commissioner.

Related statutes provide that certain forest land, agricultural or horticultural land (assessed at the value it has for these purposes) and recreational land (assessed on the basis of its use at a maximum of 25 percent of its fair cash value) are all to be taxed at the rate applicable to commercial property. Land classified as forest land is valued for this purpose at five percent of fair cash value but not less than ten dollars per acre.

The following table sets forth the trend in the Town's assessed valuations, tax rates and tax levies for the following fiscal years:

Fiscal Year	Real Estate Valuation	Personal Property Valuation	Total Assessed Valuation	Tax Rate Per \$1,000	Tax Levy	Tax Levy Per Capita
2022	\$ 12,086,492,528	\$ 489,033,078	\$ 12,575,525,606	\$ 15.43	\$ 194,040,360	\$ 3,753
2021	11,379,528,021	402,386,763	11,781,914,784	16.16	190,395,743	3,683
2020	10,848,257,831	372,738,986	11,220,996,817	16.35	183,463,298	3,549
2019	10,205,167,135	360,582,243	10,565,749,378	16.54	174,757,495	3,380
2018	9,749,590,589	358,520,182	10,108,110,771	16.46	166,379,503	3,218

Classification of Property

Following is a breakdown by property type of the Town's assessed valuations for the following fiscal years:

Property Type	Fiscal 2022			Fiscal 2021			Fiscal 2020		
	Amount	% of Total		Amount	% of Total		Amount	% of Total	
Residential	\$ 10,577,955,272	84.1 %		\$ 9,738,935,499	82.7 %		\$ 9,193,242,480	81.9 %	
Commercial	1,057,713,991	8.4		1,016,083,399	8.6		1,001,671,096	8.9	
Industrial	450,823,265	3.6		624,509,123	5.3		653,344,255	5.8	
Personal	489,033,078	3.9		402,386,763	3.4		372,738,986	3.3	
Total	<u>\$ 12,575,525,606</u>	<u>100.0 %</u>		<u>\$ 11,781,914,784</u>	<u>100.0 %</u>		<u>\$ 11,220,996,817</u>	<u>100.0 %</u>	

Source: Massachusetts Department of Revenue.

Largest Taxpayers

Following is a list of the Town's ten largest taxpayers based on fiscal 2022 assessed valuations, all of which are current in their tax payments.

Name	Nature of Business	Fiscal 2022 Assessed Valuation	Fiscal 2022 Tax Levy	% of Gross Levy
NSTAR ELECTRIC CO	Utility	\$ 264,206,248	\$ 4,076,702	2.10 %
PILGRIM (HOLTEC) (1)	Utility/Land	215,927,534	3,331,762	1.72
RAINER COLONY PLACE ACQUISITION	Retail	69,601,800	1,073,956	0.55
NSTAR GAS	Utility	61,245,770	945,022	0.49
HANCOCK REIT PLYMOUTH LLC	Apartments	52,193,200	805,341	0.42
VERIZON NEW ENGLAND	Utility	39,885,700	615,436	0.32
AVALONBAY COMMUNITIES	Apartments	36,798,850	567,806	0.29
PINE HILLS LLC	Land Development	35,179,074	542,813	0.28
REDBROOK APTS	Apartments	34,557,580	533,223	0.27
ALGONQUIN GAS TRANSMISSION	Utility	28,079,700	433,270	0.22
Total		<u>\$ 837,675,456</u>	<u>\$ 12,925,331</u>	<u>6.66 %</u>

Source: Board of Assessors.

- (1) In July 1999, Boston Edison Company sold the Pilgrim I Nuclear Power Generating Station to Entergy Nuclear Generation Company ("Entergy"). Prior to the sale and subsequently, the Town has negotiated a series of Payment in Lieu of Taxes ("PILOT") agreements to provide stability and predictability as the power plant approached the end of its operating life. The payments ranged from a maximum of \$13 million in 2002 to \$9.25 million in 2017.

In October 2015, Entergy announced it will close the Pilgrim Nuclear Power Station no later than June 1, 2019. A successor PILOT agreement with Entergy to cover FY2018 and FY2019 was negotiated (with FY2018 PILOT revenue of \$9 million and FY2019 PILOT revenue of \$8.5 million) and the Town approved it at the Spring 2017 Annual Town Meeting.

An amended PILOT agreement with Entergy for FY2020 and FY2021 was negotiated (with FY2020 PILOT revenue of \$7 million and FY2021 PILOT revenue of \$6.5 million) was approved by Town Meeting in April 2019. On August 26, 2019, Entergy Corporation completed the sale of the subsidiary that owns the Pilgrim Nuclear Power Station to HOLTEC International subsidiary, which plans to complete major decommissioning activities at the site decades sooner than if Entergy had continued to own the facility.

The Town was unable to negotiate a successor PILOT agreement with HOLTEC for the decommissioned Power Plant under the current statutory framework due to the plant no longer being an "energy producing facility". The Town sent HOLTEC an actual tax bill based on a value determined by an outside appraiser. The value of \$210,108,065 produced a tax bill of \$3.2 million for FY2022. HOLTEC has since filed a timely appeal which the Town plans on denying. HOLTEC will most likely appeal to the Appellate Tax Board and the Town is prepared to defend its value. If HOLTEC prevails the Town has sufficient funds in the Nuclear Mitigation Stabilization Fund for this liability.

Abatements and Overlay

The Town is authorized to increase each tax levy by an amount approved by the State Commissioner of Revenue as an "overlay" to provide for tax abatements. If abatements are granted in excess of the applicable overlay, the excess is required to be added to the next tax levy.

Abatements are granted where exempt real or personal property has been assessed or where taxable real or personal property has been overvalued or disproportionately valued. The assessors may also abate uncollectible personal property taxes. They may abate real and personal property taxes on broad grounds (including inability to pay) with the approval of the State Commissioner of Revenue. But uncollected real property taxes are ordinarily not written off until they become municipal "tax titles" by purchase at the public sale or by taking, at which time the tax is written off in full by reserving the amount of the tax and charging surplus.

The following table sets forth the amount of overlay reserve for the last five fiscal years and abatements and exemptions granted for each fiscal year:

Fiscal Year	Net Tax Levy(1)	Overlay Reserve		Abatements & Exemptions Granted as of June 30, 2021
		Dollar Amount	As a % of Net Levy	
2021	\$189,277,817	\$1,117,926	0.59 %	\$821,341
2020	182,326,919	1,136,379	0.62	902,588
2019	173,616,558	1,140,937	0.66	757,134
2018	165,429,594	949,910	0.57	857,888
2017	156,097,469	1,028,418	0.66	834,541

Source: Board of Assessors.

(1) Tax levy prior to addition of overlay reserve.

Tax Collections

In fiscal 1992, the Town adopted the quarterly tax billing statute. Under that statute, preliminary tax payments are due on August 1 and November 1, with payment of the actual bill (after credit is given for the preliminary payments) in installments on February 1 and May 1 if actual tax bills are mailed by December 31. Interest accrues on delinquent taxes at the rate of 14 percent per annum.

The following table presents a five-year history of tax collections of the Town:

Fiscal Year	Gross Tax Levy	Overlay Reserve For Abatements	Net Tax Levy (1)	% of Net Collected at FY - End (2)(3)
2021	\$ 190,395,743	\$ 1,117,926	\$ 189,277,817	99.3 %
2020	183,463,298	1,136,379	182,326,919	98.1
2019	174,757,495	1,140,937	173,616,558	98.8
2018	166,379,503	949,910	165,429,594	98.0
2017	157,125,887	1,028,418	156,097,469	98.6

Source: Board of Assessors as to levies; Town Accountant as to collections.

(1) Less overlay reserve for abatements.

(2) i.e., at the end of the fiscal year for which levied.

(3) Collections for the current fiscal year are comparable to previous fiscal years.

Tax Titles and Possessions

Real property (land and buildings) is subject to a lien for the taxes assessed upon it, subject to any paramount federal lien and subject to bankruptcy and insolvency laws. (In addition, real property is subject to a lien for certain unpaid municipal charges or fees.) If the property has been transferred, an unenforced lien expires on the fourth December 31 after the end of the fiscal year to which the tax relates. If the property has not been transferred by the fourth December 31, an unenforced lien expires upon a later transfer of the property. Provision is made, however, for continuation of the lien where it could not be enforced because of a legal impediment.

The persons against whom real or personal property taxes are assessed are personally liable for the tax (subject to bankruptcy and insolvency laws). In the case of real property, this personal liability is effectively extinguished by sale or taking of the property as described below.

Massachusetts law permits a municipality either to sell by public sale (at which the municipality may become the purchaser) or to take real property for nonpayment of taxes. In either case the property owner can redeem the property by paying the unpaid taxes, with interest and other charges, but if the right of redemption is not exercised within six months (which may be extended an additional year in the case of certain installment payments), it can be foreclosed by petition to the Land Court. Upon foreclosure, a tax title purchased or taken by the municipality becomes a "tax possession" and may be held and disposed of in the same manner as other land held for municipal purposes.

Taxes Outstanding

The following table sets forth current and aggregate taxes outstanding and tax titles and tax possessions as of fiscal year end for the five previous fiscal years:

<u>As of June 30</u>	<u>Taxes Outstanding Current Fiscal Year</u>	<u>Aggregate Taxes Outstanding (1)</u>	<u>Tax Titles</u>	<u>Tax Possessions</u>
2021	\$1,268,975	\$1,832,996	\$807,358	\$1,647,202
2020	3,418,852	3,744,473	424,842	1,646,435
2019	2,127,919	2,472,233	331,933	1,644,615
2018	2,136,583	2,156,335	542,106	1,661,300
2017	1,770,309	1,842,142	463,864	1,665,613

Source: Town Accountant.

(1) For five prior fiscal years. Excludes abated taxes; includes taxes in litigation, if any.

Sale of Tax Receivables

Cities and towns are authorized to sell delinquent property tax receivables at public sale or auction, either individually or in bulk. The Town does not expect to utilize this option at the present time.

Taxation to Meet Deficits

As noted elsewhere (see "Abatements and Overlay," above) overlay deficits, i.e., tax abatements in excess of the overlay included in the tax levy to cover abatements, are required to be added to the next tax levy. It is generally understood that revenue deficits, i.e., those resulting from non-property tax revenues being less than anticipated, are also required to be added to the tax levy (at least to the extent not covered by surplus revenue).

Amounts lawfully expended since the prior tax levy and not included therein are also required to be included in the annual tax levy. The circumstances under which this can arise are limited since municipal departments are generally prohibited from incurring liabilities in excess of appropriations except for major disasters, mandated items, contracts in aid of housing and renewal projects and other long-term contracts. In addition, utilities must be paid at established rates, and certain established salaries, e.g. civil service, must legally be paid for work actually performed, whether or not covered by appropriations.

Cities and towns are authorized to appropriate sums, and thus to levy taxes, to cover deficits arising from other causes, such as "free cash" deficits arising from a failure to collect taxes. This is not generally understood, however, and it has not been the practice to levy taxes to cover free cash deficits. Except to the extent that such deficits have been reduced or eliminated by subsequent collections of uncollected taxes (including sales of tax titles and tax possessions), lapsed

appropriations, non-property tax revenues in excess of estimates, other miscellaneous items or funding loans authorized by special act, they remain in existence.

Tax Limitations

Chapter 59, Section 21C of the General Laws, also known as “Proposition 2½”, imposes two separate limits on the annual tax levy of a city or town.

The primary limitation is that the tax levy cannot exceed 2½ percent of the full and fair cash value. If a city or town exceeds the primary limitation, it must reduce its tax levy by at least 15 percent annually until it is in compliance, provided that the reduction can be reduced in any year to not less than 7½ percent by majority vote of the voters, or to less than 7½ percent by two-thirds vote of the voters.

For cities and towns at or below the primary limit, a secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding fiscal year as determined by the State Commissioner of Revenue by more than 2½ percent, subject to exceptions for property added to the tax rolls or property which has had an increase, other than as part of a general revaluation, in its assessed valuation over the prior year’s valuation.

This “growth” limit on the tax levy may be exceeded in any year by a majority vote of the voters, but an increase in the secondary or growth limit under this procedure does not permit a tax levy in excess of the primary limitation, since the two limitations apply independently. In addition, if the voters vote to approve taxes in excess of the “growth” limit for the purpose of funding a stabilization fund, such increased amount may only be taken into account for purposes of calculating the maximum levy limit in each subsequent year if the board of selectmen of a town or the city council of a city votes by a two-thirds vote to appropriate such increased amount in such subsequent year to the stabilization fund.

The applicable tax limits may also be reduced in any year by a majority vote of the voters.

The State Commissioner of Revenue may adjust any tax limit “to counterbalance the effects of extraordinary, non-recurring events which occurred during the base year”.

Proposition 2 ½ further provides that the voters may exclude from the taxes subject to the tax limits and from the calculation of the maximum tax levy (a) the amount required to pay debt service on bonds and notes issued before November 4, 1980, if the exclusion is approved by a majority vote of the voters, and (b) the amount required to pay debt service on any specific subsequent issue for which similar approval is obtained. Even with voter approval, the holders of the obligations for which unlimited taxes may be assessed do not have a statutory priority or security interest in the portion of the tax levy attributable to such obligations. It should be noted that Massachusetts General Laws Chapter 44, Section 20 requires that the taxes excluded from the levy limit to pay debt service on any such bonds and notes be calculated based on the true interest cost of the issue. Accordingly, the Department of Revenue limits the amount of taxes which may be levied in each year to pay debt service on any such bonds and notes to the amount of such debt service, less a pro rata portion of any original issue premium received by the city or town that was not applied to pay costs of issuance.

Voters may also exclude from the Proposition 2½ limits the amount required to pay specified capital outlay expenditures or for the city or town’s apportioned share for certain capital outlay expenditures by a regional governmental unit. In addition, the city council of a city, with the approval of the mayor if required, or the board of selectmen or the town council of a town may vote to exclude from the Proposition 2½ limits taxes raised in lieu of sewer or water charges to pay debt service on bonds or notes issued by the municipality (or by an independent authority, commission or district) for water or sewer purposes, provided that the municipality’s sewer or water charges are reduced accordingly.

In addition, Proposition 2½ limits the annual increase in the total assessments on cities and towns by any county, district, authority, the Commonwealth or any other governmental entity (except regional school districts, the MWRA and certain districts for which special legislation provides otherwise) to the sum of (a) 2½ percent of the prior year’s assessments and (b) “any increases in costs, charges or fees for services customarily provided locally or for services subscribed to at local option”. Regional water districts, regional sewerage districts and regional veterans districts may exceed these limitations under statutory procedures requiring a two-thirds vote of the district’s governing body and either approval of the local appropriating authorities (by two-thirds vote in districts with more than two members or by majority vote in two-member districts) or approval of the registered voters in a local election (in the case of two-member districts). Under Proposition 2½ any State law to take effect on or after January 1, 1981 imposing a direct service or cost obligation on a city or town will become effective only if accepted or voluntarily funded by the city or town or if State funding is provided. Similarly, State rules or regulations imposing additional costs on a city or town or laws granting or increasing local tax exemptions are to take effect only if adequate State appropriations are provided. These statutory provisions do not apply to costs resulting from judicial decisions.

Unused Levy Capacity (1)

The following table sets forth the Town's tax levy limits and unused levy capacity for the following fiscal years:

	For Fiscal Year				
	2022	2021	2020	2019	2018
Primary Levy Limit (2)	\$ 314,388,140	\$ 294,547,870	\$ 280,524,920	\$ 264,143,734	\$ 252,702,769
Prior Fiscal Year Levy Limit	\$ 188,298,109	\$ 179,332,150	\$ 170,642,498	\$ 162,811,487	\$ 155,423,807
2.5% Levy Growth	4,707,453	4,483,304	4,266,062	4,070,287	3,885,595
New Growth (3)	4,008,394	4,482,655	4,423,500	3,760,724	3,502,085
Overrides	-	-	-	-	-
Growth Levy Limit	197,013,956	188,298,109	179,332,060	170,642,498	162,811,487
Debt Exclusions	7,281,445	7,841,843	8,066,208	7,985,660	7,976,950
Capital Expenditure Exclusions	-	-	-	-	-
Tax Levy Limit	\$ 204,295,401	\$ 196,139,952	\$ 187,398,268	\$ 178,628,158	\$ 170,788,437
Tax Levy	194,040,360	190,395,743	183,463,298	174,757,495	166,379,503
Unused Levy Capacity (4)	\$ 10,255,041	\$ 5,744,209	\$ 3,934,970	\$ 3,870,663	\$ 4,408,934
Unused Primary Levy Capacity (5)	\$ 117,374,184	\$ 106,249,761	\$ 101,192,860	\$ 93,501,236	\$ 89,891,282

(1) Source: Massachusetts Department of Revenue.

(2) 2.5% of assessed valuation.

(3) Allowed increase for new valuations - certified by the Department of Revenue.

(4) Tax Levy Limit less Tax Levy.

(5) Primary Levy Limit less Growth Levy Limit.

State Equalized Valuations

In order to determine appropriate relative values for the purposes of certain distributions to and assessments upon cities and towns, the Commissioner of Revenue biennially makes a redetermination of the fair cash value of the taxable property in each municipality as of January 1 of even numbered years. This is known as the "equalized value."

The following table sets forth the trend in equalized valuations of the Town of Plymouth:

January 1	State Equalized Valuation	% Change
2020	\$ 12,163,150,000	12.8 %
2018	10,781,668,600	11.6
2016	9,660,314,400	7.8
2014	8,960,909,400	(3.8)
2012	9,317,758,400	(5.7)
2010	9,880,984,900	(6.7)

Pledged Taxes

Taxes on increased value of certain property in designated development districts may be pledged for the payment of costs of economic development projects within such districts and may therefore be unavailable for other municipal purposes. (See "Tax Increment Financing for Development Districts" below).

Impact of Proposition 2 ½

As demonstrated by the table on the previous page, the Town's primary response to the fiscal constraints imposed by Proposition 2 ½ has been acceptance of the debt exclusion provisions on a portion of its long-term debt. In fiscal 1996 the Town voted to override Proposition 2 ½, lowering the tax levy limit by \$2,000,000. On September 19, 2006, the Town voted to exempt the debt service associated with the Town's share of a \$199,000,000 authorization for the construction of two new high schools and a senior center. The Town has completed the Plymouth North High School and Plymouth South High School projects, for which the Massachusetts School Building Authority provided construction grants equaling approximately 59% of eligible project costs.

Initiative Petitions

Various proposals have been made in recent years for legislative amendments to the Massachusetts Constitution to impose limits on state and local taxes. To be adopted, such amendments must be approved by two successive legislatures and then by the voters at a state election.

Community Preservation Act

The Massachusetts Community Preservation Act (the "CPA") permits cities and towns that accept its provisions to levy a surcharge on its real property tax levy, dedicate revenue (other than state or federal funds), and to receive state matching funds for (i) the acquisition, creation, preservation, rehabilitation and restoration of land for recreational use, open space, and affordable housing and (ii) the acquisition, preservation, rehabilitation and restoration of historic resources. The provisions of the CPA must be accepted by the voters of the city or town at an election after such provisions have first been accepted by either a vote of the legislative body of the city or town or an initiative petition signed by 5% of its registered voters.

A city or town may approve a surcharge of up to 3% (but not less than 1% under certain circumstances) and may make an additional commitment of funds by dedicating revenue other than state or federal funds, provided that the total funds collected do not exceed 3% of the real property tax levy, less any exemptions adopted (such as an exemption for low-income individuals and families and for low and moderate-income senior citizens, an exemption for \$100,000 of the value of each taxable parcel of residential real property or \$100,000 of the value of each taxable parcel of class three, commercial property, and class four, industrial property as defined in Chapter 59, Section 2A of the General Laws, and an exemption for commercial and industrial properties in cities and towns with classified tax rates). In the event that the municipality shall no longer dedicate all or part of the additional funds to community preservation, the surcharge on the real property tax levy of not less than 1% shall remain in effect, provided that any such change must be approved pursuant to the same process as acceptance of the CPA. The surcharge is not counted in the total taxes assessed for the purpose of determining the permitted levy amount under Proposition 2½ (see "Tax Limitations" under "PROPERTY TAXATION" above). A city or town may revoke its acceptance of the provisions of the CPA at any time after 5 years from the date of such acceptance and may change the amount of the surcharge or the exemptions to the surcharge at any time, including reducing the surcharge to 1% and committing additional municipal funds as outlined above, provided that any such revocation or change must be approved pursuant to the same process as acceptance of the CPA.

Any city or town that accepts the provisions of the CPA will receive annual state matching grants to supplement amounts raised by its surcharge and dedication of revenue. The state matching funds are raised from certain recording and filing fees of the registers of deeds. Those amounts are deposited into a state trust fund and are distributed to cities and towns that have accepted the provisions of the CPA, which distributions are not subject to annual appropriation by the state legislature. The amount distributed to each city and town is based on a statutory formula and the total state distribution made to any city or town may not exceed 100% of the amount raised locally by the surcharge on the real property tax levy.

The amounts raised by the surcharge on taxes, the dedication of revenue and received in state matching funds are required to be deposited in a dedicated community preservation fund. Each city or town that accepts the provisions of the CPA is required to establish a community preservation committee to study the community preservation needs of the community and to make recommendations to the legislative body of the city or town regarding the community preservation projects that should be funded from the community preservation fund. Upon the recommendations of the committee, the legislative body of the city or town may appropriate amounts from the fund for permitted community preservation purposes or may reserve amounts for spending in future fiscal years, provided that at least 10% of the total annual revenues to the fund must be spent or set aside for open space purposes, 10% for historic resource purposes and 10% for affordable housing purposes.

The CPA authorizes cities and towns that accept its provisions to issue bonds and notes in anticipation of the receipt of surcharge and dedicated revenues to finance community preservation projects approved under the provisions of the CPA. Bonds and notes issued under the CPA are general obligations of the city or town and are payable from amounts on deposit in the community preservation fund. In the event that a city or town revokes its acceptance of the provisions of the CPA, the surcharge shall remain in effect until all contractual obligations incurred by the city or town prior to such revocation, including the payment of bonds or notes issued under the CPA, have been fully discharged.

The Town has accepted the CPA and set the surcharge rate at 1.5%. The Town implemented the program in fiscal 2003 and will utilize revenues to pay for a variety of municipal projects eligible for financing under the CPA.

<u>Fiscal Year</u>	<u>Total CPA Fiscal Year Revenues</u>
2021	\$ 4,892,397
2020	3,359,693
2019	3,433,179
2018	2,839,407
2017	2,754,129

The balance in the CPA Fund as of June 30, 2021 was \$4,065,215.

TOWN FINANCES

Budget and Appropriation Process

The annual appropriations of a town are ordinarily made at the annual meeting which takes place in February, March, April or May. Appropriations may also be voted at special meetings. Every town must have an appropriation, advisory or finance committee. The committee (or the board of selectmen if authorized by by-law) is required to submit a budget of proposed expenditures at the annual town meeting.

Water and sewer department expenditures are generally included in the budgets adopted by city councils and town meetings, but electric and gas department funds may be appropriated by the municipal light boards. Under certain legislation, any city or town which accepts the legislation may provide that the appropriation for the operating costs of any department may be offset, in whole or in part, by estimated receipts from fees charged for services provided by the department. It is assumed that this general provision does not alter the pre-existing power of an electric or gas department to appropriate its own receipts.

The school budget is limited to the amount appropriated by the town meeting, but the school committee retains full power to allocate the funds appropriated.

Under certain circumstances and subject to certain limits, the board of selectmen of a town with the concurrence of the finance committee may transfer any amount appropriated for the use of any department to any other appropriation for the same department or to any other department.

State and county assessments, abatements in excess of overlays, principal and interest not otherwise provided for, and final judgments are included in the tax levy whether or not included in the budget. Revenues are not required to be set forth in the budget but estimated non-tax revenues are taken into account by the assessors in fixing the tax levy. (See "PROPERTY TAXATION," above.)

Operating Budget Trends

The following table sets forth the trend in the Town's operating budgets:

	<u>Fiscal 2023</u> <u>Approved Budget</u>	<u>Fiscal 2022</u> <u>Approved Budget</u>	<u>Fiscal 2021</u> <u>Approved Budget</u>	<u>Fiscal 2020</u> <u>Approved Budget</u>	<u>Fiscal 2019</u> <u>Approved Budget</u>
Administrative Services	\$ 3,178,095	\$ 3,009,250	\$ 2,952,895	\$ 2,786,409	\$ 2,787,422
Department of Finance	2,263,762	2,107,900	2,030,408	3,412,949	3,373,861
Information Technology	2,242,493	1,809,446	1,653,339	-	-
Department of Planning & Development	863,435	847,399	847,399	964,612	904,273
Public Safety Services	29,175,445	27,732,493	27,712,663	25,679,176	24,672,731
Marine & Environmental	1,289,080	1,278,950	1,278,950	1,202,127	1,113,686
Department of Public Works	11,372,553	10,483,106	10,393,103	7,698,979	7,530,136
Inspectional Services	1,287,199	1,189,784	1,189,784	1,100,456	1,044,517
Community Resources	3,975,946	3,753,983	3,716,773	3,665,866	3,643,959
Fixed Costs	75,049,386	68,681,586	67,000,737	64,646,430	61,010,555
Debt Service	16,168,174	16,225,186	16,962,273	18,283,980	16,856,664
Schools	109,341,203	105,495,363	103,889,778	100,220,185	97,034,575
Total Operating Budget	<u>\$ 256,206,771</u>	<u>\$ 242,614,446</u>	<u>\$ 239,628,102</u>	<u>\$ 229,661,169</u>	<u>\$ 219,972,379</u>
Enterprise:					
Airport(1)	\$ 2,889,188	\$ 2,506,332	\$ 2,465,387	2,642,176	2,635,922
Sewer(1)	8,124,779	8,014,054	8,180,507	7,300,618	5,323,419
Water(1)	5,142,557	4,921,260	5,023,686	4,932,221	4,148,154
Solid Waste (1)	815,019	748,848	748,848	663,165	772,081
Cable(2)	1,495,000	1,590,000	1,590,000	1,685,000	-
Total	<u>\$ 274,673,314</u>	<u>\$ 260,394,940</u>	<u>\$ 257,636,530</u>	<u>\$ 246,884,349</u>	<u>\$ 232,851,955</u>

Source: Chief Financial Officer.

- (1) Established under Chapter 44, Section 53F½ of the Massachusetts General Law as Enterprise Funds (formerly part of the Department of Public Works).
- (2) Beginning in FY2020, the Massachusetts Department of Revenue requires the cable line be categorized as an enterprise fund; prior to FY2020 it was accounted for as a special revenue fund.

Education Reform

State legislation known as the Education Reform Act of 1993, as amended, imposes certain minimum expenditure requirements on municipalities with respect to funding for education. The requirements are determined on the basis of formulas affected by various measures of wealth and income, enrollments, prior levels of local spending and state aid, and other factors. The Town has routinely exceeded its spending requirements as mandated by the Education Reform Act since its inception.

Revenues

Property Taxes - Property taxes are the major source of revenue for the Town. The total amount levied is subject to certain limits prescribed by law; for a description of those limits, see "PROPERTY TAXATION - Tax Limitations," above.

State Distributions- In addition to grants for specified capital purposes (some of which are payable over the life of the bonds issued for the projects), the Commonwealth provides financial assistance to cities and towns for current purposes. Payments to cities and towns are derived primarily from a percentage of the State's personal income, sales and use, and corporate excise tax receipts, together with the net receipts from the State Lottery. A municipality's state aid entitlement is based on a number of different formulas, of which the "schools" and "lottery" formulas are the most important. Both of the major formulas tend to provide more state aid to poorer communities. The formulas for determining a municipality's state aid are subject to amendment by the state legislature, and while a formula might indicate that a particular amount of state aid is owed, the amount of state aid actually paid is limited to the amount appropriated by the state legislature.

In the fall of 1986, both the State Legislature (by statute repealed as of July 1, 1999) and the voters (by initiative petition) placed limits on the growth of state tax revenues. Although somewhat different in detail, each measure essentially limited the annual growth in state tax revenues to an average rate of growth in wages and salaries in the Commonwealth over the three previous calendar years. If not amended, the remaining law could restrict the amount of state revenues available for state aid to local communities.

The following table sets forth the amount of state aid received by the Town for fiscal years 2017 through 2021:

<u>Fiscal Year</u>	<u>Total State Aid</u>
2021	\$ 32,373,572
2020	32,900,708
2019	33,072,489
2018	31,640,598
2017	30,377,935

Source: Town Accountant.

Federal Aid: In addition to state aid, the Town receives certain amounts of federal aid. Following is a history of the federal aid receipts of the Town for fiscal years 2017 through 2021:

<u>Fiscal Year</u>	<u>Total Federal Aid</u>
2021	\$ 16,920,896
2020	5,781,232
2019	7,621,515
2018	9,477,773
2017	7,565,509

Source: Town Accountant.

The Motor Vehicle Excise Tax - An excise is imposed on the registration of motor vehicles (subject to exemptions) at the rate of \$25 per \$1,000 of valuation. The excise is collected by and for the benefit of the municipality in which the motor vehicle is customarily kept. Valuations are determined by a statutory formula based on manufacturers' list price and year of manufacture. Bills not paid when due bear interest at 12 percent per annum. Provision is also made, after notice to the owner, for suspension of the owner's operating license or registration by the registrar of motor vehicles.

The following table sets forth the trend in the Town's Motor Vehicle Excise collections:

<u>Fiscal Year</u>	<u>Receipts (1)</u>
2021	\$ 10,161,134
2020	9,350,011
2019	9,513,398
2018	9,477,173
2017	8,843,191

(1) Net after refunds. Includes receipts from prior years' levies.

Local Option Meals Tax: The State Legislature recently added a new chapter to the General Laws, chapter 64L: "Local Option Meals Excise." Under this chapter, a city or town that accepts the provisions of this chapter may impose a local sales tax on the sale of restaurant meals originating within the city or town by a vendor at the rate of .75 percent of the gross receipts of the vendor from the sale of restaurant meals. The tax is paid by the vendor to the State Commissioner of Revenue, who in turn pays the tax to the city or town in which the meal was sold. The Town adopted the local option meals tax effective July 1, 2014. Pursuant to recent special legislation, revenue from the meals tax is deposited in a dedicated fund to finance the construction, renovation, and operation of the 1820 courthouse project. The balance in the fund as of June 30, 2021 was \$1,810,304. There is sufficient fund balance currently to pay for this financing for Fiscal 2021. The legislation for the special fund expires at the end of fiscal year 2040.

Following is a five-year history of revenues derived from the Meals tax:

<u>Fiscal Year</u>	<u>Receipts</u>
2021	\$ 1,375,206
2020	1,498,397
2019	1,545,705
2018	1,453,504
2017	1,384,272

The economic slowdown resulting from the COVID-19 pandemic is likely to have a negative effect on the meals tax collections in fiscal year 2021.

Hotel/Motel Taxes: Under the room occupancy excise tax, local governments may tax the provision of hotel, motel, lodging house and bed and breakfast rooms at a rate not to exceed 6 percent of the cost of renting such rooms. The tax is paid by the operator of each establishment to the State Commissioner of Revenue, who in turn pays the tax back to the municipality in which the rooms are located in quarterly distributions.

Commencing in fiscal 1994, the Town created a Tourism Promotion Fund to be funded by a portion of the Town's Hotel/Motel tax receipts (25 percent in 1994, 35 percent in 1995, and 45 percent in 1996 and thereafter). The funds are appropriated for capital and other purposes that promote the Town's tourist industry. On October 29, 2009 the Town adopted an increase in the room occupancy tax to 6% which was effective January 1, 2010.

Following is a five-year history of revenues derived from the Hotel/Motel tax:

<u>Fiscal Year</u>	<u>Receipts</u>
2021	\$ 1,491,617 (1)
2020	1,636,969 (1)
2019	1,428,355
2018	1,493,594
2017	1,409,964

Source: Town Accountant.

(1) Includes additional revenue generated by the short-term rental tax.

The economic slowdown resulting from the COVID-19 pandemic is likely to have a negative effect on the hotel/motel tax collections in fiscal year 2021.

Water and Sewer Rates and Services: At the 2000 Annual Town Meeting, the Town approved placing water and sewer services, which are provided to 69 percent and 15 percent of the Town, respectively, on an enterprise basis effective for fiscal 2001. Water rates for both domestic and commercial users are billed according to a metered rate and sewer rates are based on water usage. Water and sewer rates are billed on a semi-annual basis.

Water revenues and operating expenses (including debt service, equipment purchases, employee benefits and other administrative costs) for the past five fiscal years are shown in the table below.

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Expenses</u>
2021	\$ 7,193,356	\$ 5,740,476
2020	6,760,334	5,607,874
2019	6,590,384	4,258,802
2018	5,774,733	4,308,130
2017	5,225,948	3,898,823

Sewer revenues and operating expenses (including debt service, equipment purchases, employee benefits and other administrative costs) for the past five fiscal years are shown in the table below.

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Expenses</u>
2021	\$ 9,529,686	\$ 7,764,144
2020	8,742,046	7,115,020
2019	7,413,013	5,469,342
2018	6,858,126	5,292,069
2017	5,503,366	5,208,076

Solid Waste Revenues and Expenditures – Effective in fiscal 2003 the Town placed solid waste services on an enterprise basis. Solid waste revenues and operating expenses (including debt service, equipment purchases, employee benefits and other administrative costs) for the past five fiscal years are shown in the table below.

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Expenses</u>
2021	\$ 1,040,133	\$ 875,524
2020	1,001,957	674,071
2019	1,017,350	753,352 (1)
2018	2,501,040	2,202,309
2017	2,644,290	2,073,208

Source: Town Accountant.

(1) Due to increasing costs of disposal of recyclable materials, the Town terminated the vendor used for optional curbside recycling and trash pickup program beginning in Fiscal 2019. At the time, residents were given the option to contract with the vendor directly and keep their containers. The Town continues to offer a Transfer Station option for residents to dispose of their recyclables and trash.

Airport Revenues and Expenditures – Since the 2000 Annual Town Meeting the Town has accounted for the municipal airport operations on an enterprise basis. Airport revenues and expenses for the past five fiscal years are shown in the table below.

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Expenses</u>
2021	\$ 2,170,506	\$ 1,879,133
2020	2,183,849	1,874,149
2019 (1)	8,101,950	8,819,039
2018	4,066,788	3,870,458
2017	4,833,600	4,541,621

(1) Increase in expenses attributable to the construction of a new \$4 million Airport Administration building, supported by a 95% grant from the state and construction of a new \$2.5 million taxiway, funded by a combination of state and federal funds.

State School Building Assistance Program

Under its school building assistance program, the Commonwealth of Massachusetts provides grants to cities, towns and regional school districts for school construction projects. Until July 26, 2004, the State Board of Education was responsible for approving grants for school projects and otherwise administering the program. Grant amounts ranged from 50% to 90% of approved project costs. Municipalities generally issued bonds to finance the entire project cost, and the Commonwealth disbursed the grants in equal annual installments over the term of the related bonds.

Pursuant to legislation which became effective on July 26, 2004, the state legislature created the Massachusetts School Building Authority (the "Authority") to finance and administer the school building assistance program. The Authority has assumed all powers and obligations of the Board of Education with respect to the program. In addition to certain other amounts, the legislation dedicates a portion of Commonwealth sales tax receipts to the Authority to finance the program.

Projects previously approved for grants by the State Board of Education are entitled to receive grant payments from the Authority based on the approved project cost and reimbursement rate applicable under the prior law. The Authority has paid and is expected to continue to pay the remaining amounts of the grants for such projects either in annual installments to reimburse debt service on bonds issued by the municipalities to finance such projects, or as lump sum payments to contribute to the defeasance of such bonds.

Projects on the priority waiting list as of July 1, 2004 are also entitled to receive grant payments from the Authority based on the eligible project costs and reimbursement rates applicable under the prior law. With limited exceptions, the Authority is required to fund the grants for such projects in the order in which they appear on the waiting list. Grants for any such projects that have been completed or substantially completed have been paid and are expected to continue to be paid by the Authority in lump sum payments, thereby eliminating the need for the Authority to reimburse interest expenses that would otherwise be incurred by the municipalities to permanently finance the Authority's share of such project costs. Interest on debt issued by municipalities prior to July 1, 2004 to finance such project costs, and interest on temporary debt until receipt of the grant, is included in the approved costs of such projects. Grants for any such projects that have not yet commenced or that are underway have been and are expected to continue to be paid by the Authority as project costs are incurred by the municipality pursuant to a project funding agreement between the Authority and the municipality, eliminating the need for the municipality to borrow even on a temporary basis to finance the Authority's share of the project costs in most cases.

The range of reimbursement rates for new project grant applications submitted to the Authority on or after July 1, 2007 has been reduced to between 40% and 80% of approved project costs. The Authority promulgated new regulations with respect to the application and approval process for projects submitted after July 1, 2007. The Authority expects to pay grants for such projects as project costs are incurred pursuant to project funding agreements between the Authority and the municipalities. None of the interest expense incurred on debt issued by municipalities to finance their portion of the costs of new projects will be included in the approved project costs eligible for reimbursement.

The Town's Federal Furnace Elementary School, Indian Brook Elementary School, and West Elementary School have been approved by the MSBA to be part of the Accelerated Repair Program and will receive approximately 50.58% reimbursement on eligible project costs. The Town plans to finance its share of project costs through the issuance of general obligation notes and/or bonds.

Annual Audits

The Town's accounts for fiscal 2021 were audited by Powers & Sullivan, Certified Public Accountants, of Wakefield, Massachusetts.

The attached report speaks only as of its date, and only to the matters expressly set forth herein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

Financial Statements

Set forth on the following pages are Governmental Fund Balance Sheets for fiscal years ending 2021, 2020 and 2019 and Statements of Revenues, Expenditures and Changes in Fund Balances for fiscal years ending June 30, 2021 through 2017. All such financial statements have been compiled or extracted from the Town's annual audited financial statements.

TOWN OF PLYMOUTH, MASSACHUSETTS (1)
GOVERNMENTAL FUNDS
BALANCE SHEET

JUNE 30, 2021

	General	Community Preservation	Town Building/ Land Capital	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents.....	\$ 42,164,157	\$ 4,069,273	\$ 4,146,711	\$ 19,678,454	\$ 70,058,595
Investments.....	23,612,374	-	-	1,945,101	25,557,475
Receivables, net of uncollectibles:					
Real estate and personal property taxes.....	2,022,321	-	-	-	2,022,321
Tax liens.....	533,084	7,045	-	-	540,129
Community preservation fund surtax.....	-	27,163	-	-	27,163
Motor vehicle and other excise taxes.....	1,239,274	-	-	-	1,239,274
Departmental and other.....	52,847	-	-	-	52,847
Intergovernmental.....	-	-	-	9,773,759	9,773,759
Community preservation state share.....	-	1,080,000	-	-	1,080,000
Special assessments.....	-	-	-	451,731	451,731
Tax foreclosures.....	1,623,225	-	-	-	1,623,225
TOTAL ASSETS.....	\$ 71,247,282	\$ 5,183,481	\$ 4,146,711	\$ 31,849,045	\$ 112,426,519
LIABILITIES					
Warrants payable.....	\$ 2,158,467	\$ 4,058	\$ 55,481	\$ 578,040	\$ 2,796,046
Accrued payroll.....	1,602,927	-	-	121,957	1,724,884
Tax refunds payable.....	672,179	-	-	-	672,179
Other liabilities.....	92,932	-	-	2,312,941	2,405,873
Unearned Revenue.....	-	-	-	4,761,766	4,761,766
Notes payable.....	-	-	-	71,150	71,150
TOTAL LIABILITIES.....	4,526,505	4,058	55,481	7,845,854	12,431,898
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue.....	4,270,358	1,114,207	-	3,351,021	8,735,586
FUND BALANCES					
Nonspendable.....	-	-	-	1,698,044	1,698,044
Restricted.....	-	4,065,216	4,091,230	19,242,969	27,399,415
Committed.....	8,047,179	-	-	-	8,047,179
Assigned.....	5,812,969	-	-	-	5,812,969
Unassigned.....	48,590,271	-	-	(288,843)	48,301,428
TOTAL FUND BALANCES.....	62,450,419	4,065,216	4,091,230	20,652,170	91,259,035
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 71,247,282	\$ 5,183,481	\$ 4,146,711	\$ 31,849,045	\$ 112,426,519

(1) Extracted from the Town's audited financial statements.

TOWN OF PLYMOUTH, MASSACHUSETTS (1)
GOVERNMENTAL FUNDS
BALANCE SHEET

JUNE 30, 2020

	General	Community Preservation	Town Building/ Land Capital	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents.....	\$ 34,109,988	\$ 3,399,035	\$ 716,765	\$ 19,921,422	\$ 58,147,210
Investments.....	20,875,336	-	-	1,792,130	22,667,466
Receivables, net of uncollectibles:					
Real estate and personal property taxes.....	3,939,288	-	-	-	3,939,288
Tax liens.....	424,842	5,396	-	-	430,238
Community preservation fund surtax.....	-	49,491	-	-	49,491
Motor vehicle and other excise taxes.....	1,184,982	-	-	-	1,184,982
Departmental and other.....	46,850	-	-	-	46,850
Intergovernmental.....	793,796	-	-	3,841,696	4,635,492
Community preservation state share.....	-	603,000	-	-	603,000
Special assessments.....	-	-	-	558,056	558,056
Tax foreclosures.....	1,622,464	-	-	-	1,622,464
TOTAL ASSETS.....	\$ 62,997,546	\$ 4,056,922	\$ 716,765	\$ 26,113,304	\$ 93,884,537
LIABILITIES					
Warrants payable.....	\$ 2,427,609	\$ 90,000	\$ 3,579,250	\$ 1,234,853	\$ 7,331,712
Accrued payroll.....	1,302,520	-	-	63,346	1,365,866
Tax refunds payable.....	403,164	-	-	-	403,164
Other liabilities.....	33,234	-	-	-	33,234
Notes payable.....	-	1,450,000	15,403,000	196,150	17,049,150
TOTAL LIABILITIES.....	4,166,527	1,540,000	18,982,250	1,494,349	26,183,126
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue.....	5,480,275	658,682	-	1,593,766	7,732,723
FUND BALANCES					
Nonspendable.....	-	-	-	1,646,002	1,646,002
Restricted.....	1,336,108	1,858,240	-	21,604,937	24,799,285
Committed.....	5,357,024	-	-	-	5,357,024
Assigned.....	8,403,245	-	-	-	8,403,245
Unassigned.....	38,254,367	-	(18,265,485)	(225,750)	19,763,132
TOTAL FUND BALANCES.....	53,350,744	1,858,240	(18,265,485)	23,025,189	59,968,688
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 62,997,546	\$ 4,056,922	\$ 716,765	\$ 26,113,304	\$ 93,884,537

(1) Extracted from the Town's audited financial statements.

TOWN OF PLYMOUTH, MASSACHUSETTS
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2019 (1)

	General	Community Preservation	Town Building/ Land Capital	Excluded Debt Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents.....	\$ 27,219,940	\$ 5,308,623	\$ 7,897,965	\$ 310,472	\$ 18,633,174	\$ 59,370,174
Investments.....	18,056,143	-	-	-	1,619,992	19,676,135
Receivables, net of uncollectibles:						
Real estate and personal property taxes.....	2,694,647	-	-	-	-	2,694,647
Tax liens.....	1,952,604	4,420	-	-	651	1,957,675
Community preservation fund surtax.....	-	31,597	-	-	-	31,597
Motor vehicle and other excise taxes.....	955,215	-	-	-	-	955,215
Departmental and other.....	61,425	-	-	-	-	61,425
Intergovernmental.....	4,769,635	-	-	2,525,768	2,263,699	9,559,102
Community preservation state share.....	-	272,000	-	-	-	272,000
Special assessments.....	-	-	-	-	624,858	624,858
TOTAL ASSETS.....	\$ 55,709,609	\$ 5,616,640	\$ 7,897,965	\$ 2,836,240	\$ 23,142,374	\$ 95,202,828
LIABILITIES						
Warrants payable.....	\$ 3,108,947	\$ 87,360	\$ 1,836,243	\$ -	\$ 1,401,871	\$ 6,434,421
Accrued payroll.....	974,335	-	-	-	58,896	1,033,231
Tax refunds payable.....	280,974	-	-	-	-	280,974
Other liabilities.....	26,108	-	-	-	(1)	26,107
Notes payable.....	-	2,000,000	1,600,000	2,500,000	126,150	6,226,150
TOTAL LIABILITIES.....	4,390,364	2,087,360	3,436,243	2,500,000	1,586,916	14,000,883
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue.....	6,734,489	308,016	-	-	2,889,209	9,931,714
FUND BALANCES						
Nonspendable.....	-	-	-	-	1,568,594	1,568,594
Restricted.....	1,683,240	3,221,264	4,461,722	336,240	16,621,803	26,324,269
Committed.....	3,468,425	-	-	-	-	3,468,425
Assigned.....	4,574,888	-	-	-	639,720	5,214,608
Unassigned.....	34,858,203	-	-	-	(163,868)	34,694,335
TOTAL FUND BALANCES.....	44,584,756	3,221,264	4,461,722	336,240	18,666,249	71,270,231
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 55,709,609	\$ 5,616,640	\$ 7,897,965	\$ 2,836,240	\$ 23,142,374	\$ 95,202,828

(1) Extracted from the Town's audited financial statements.

TOWN OF PLYMOUTH, MASSACHUSETTS (1)

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2021

	General	Community Preservation	Town Building/ Land Capital	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 189,227,751	\$ -	\$ -	\$ -	\$ 189,227,751
Tax liens.....	554,262	-	-	-	554,262
Motor vehicle and other excise taxes.....	10,299,337	-	-	-	10,299,337
Charges for services.....	59,944	-	-	10,150	70,094
Penalties and interest on taxes.....	1,091,197	-	-	-	1,091,197
Payments in lieu of taxes.....	73,970	-	-	-	73,970
Intergovernmental - federal.....	371,321	-	-	17,709,650	18,080,971
Intergovernmental - state aid.....	34,213,227	400,000	5,693,063	6,037,595	46,343,885
Intergovernmental - Teachers Retirement.....	29,659,981	-	-	-	29,659,981
Departmental and other.....	9,766,575	-	-	7,000,501	16,767,076
Community preservation taxes.....	-	2,771,973	-	-	2,771,973
Community preservation state match.....	-	757,224	-	-	757,224
Contributions and donations.....	-	-	-	2,694,742	2,694,742
Investment income.....	1,927,080	29,722	-	169,401	2,126,203
TOTAL REVENUES.....	277,244,645	3,958,919	5,693,063	33,622,039	320,518,666
EXPENDITURES:					
Current:					
General government.....	8,402,168	-	89,734	4,138,834	12,630,736
Public safety.....	29,450,903	-	1,459,643	2,958,221	33,868,767
Education.....	101,594,035	-	-	18,240,402	119,834,437
Public works.....	12,299,159	-	2,737,593	4,036,158	19,072,910
Health and human services.....	1,478,748	-	-	322,522	1,801,270
Culture and recreation.....	2,524,196	-	-	844,180	3,368,376
Community preservation.....	-	2,656,581	-	-	2,656,581
Pension benefits.....	14,782,101	-	-	-	14,782,101
Pension benefits - Teachers Retirement.....	29,659,981	-	-	-	29,659,981
Employee benefits.....	44,250,925	-	-	-	44,250,925
State and county charges.....	9,745,247	-	-	-	9,745,247
Debt service:					
Principal.....	9,552,358	-	-	-	9,552,358
Principal payment on current refunding.....	1,177,590	-	-	-	1,177,590
Interest.....	6,870,999	28,839	-	-	6,899,838
TOTAL EXPENDITURES.....	271,788,410	2,685,420	4,286,970	30,540,317	309,301,117
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	5,456,235	1,273,499	1,406,093	3,081,722	11,217,549
OTHER FINANCING SOURCES (USES):					
Issuance of bonds.....	-	815,466	17,389,472	200,000	18,404,938
Issuance of refunding bonds.....	19,190,074	-	-	-	19,190,074
Premium from issuance of bonds and notes.....	-	29,000	2,138,068	191,098	2,358,166
Premium from issuance of refunding bonds.....	3,017,142	-	-	-	3,017,142
Payments to refunded bond escrow agent.....	(22,207,216)	-	-	-	(22,207,216)
Transfers in.....	3,982,553	89,011	1,428,390	14,589	5,514,543
Transfers out.....	(339,113)	-	(5,308)	(5,908,876)	(6,253,297)
TOTAL OTHER FINANCING SOURCES (USES).....	3,643,440	933,477	20,950,622	(5,503,189)	20,024,350
NET CHANGE IN FUND BALANCES.....	9,099,675	2,206,976	22,356,715	(2,421,467)	31,241,899
FUND BALANCES AT BEGINNING OF YEAR, AS REVISED.....	53,350,744	1,858,240	(18,265,485)	23,073,637	60,017,136
FUND BALANCES AT END OF YEAR.....	\$ 62,450,419	\$ 4,065,216	\$ 4,091,230	\$ 20,652,170	\$ 91,259,035

(1) Extracted from the Town's audited financial statements.

TOWN OF PLYMOUTH, MASSACHUSETTS (1)
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2020

	General	Community Preservation	Town Building/ Land Capital	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 181,716,469	\$ -	\$ -	\$ -	\$ 181,716,469
Tax liens.....	472,484	-	-	-	472,484
Motor vehicle and other excise taxes.....	9,492,333	-	-	-	9,492,333
Charges for services.....	-	-	-	14,187	14,187
Penalties and interest on taxes.....	760,873	-	-	-	760,873
Fees and rentals.....	-	-	-	23,676	23,676
Payments in lieu of taxes.....	72,674	-	-	-	72,674
Intergovernmental - federal.....	322,550	-	-	9,590,346	9,912,896
Intergovernmental - state aid.....	35,920,735	-	1,300,000	10,149,803	47,370,538
Intergovernmental - Teachers Retirement.....	25,916,346	-	-	-	25,916,346
Intergovernmental - COVID-19 relief.....	-	-	-	772,682	772,682
Departmental and other.....	7,567,339	-	-	6,475,960	14,043,299
Community preservation taxes.....	-	2,630,476	-	-	2,630,476
Community preservation state match.....	-	602,514	-	-	602,514
Contributions and donations.....	-	48,480	92,247	2,140,761	2,281,488
Investment income.....	1,946,224	78,226	-	169,878	2,194,328
TOTAL REVENUES.....	264,188,027	3,359,696	1,392,247	29,337,293	298,277,263
EXPENDITURES:					
Current:					
General government.....	9,533,395	-	55,328	1,412,554	11,001,277
Public safety.....	25,575,394	-	10,416,678	1,396,543	37,388,615
Education.....	98,745,571	-	-	12,412,754	111,158,325
Public works.....	10,782,136	-	14,002,048	4,579,885	29,364,069
Health and human services.....	1,652,365	-	-	311,045	1,963,410
Culture and recreation.....	2,871,698	-	-	840,256	3,711,954
Community preservation.....	-	4,682,944	-	-	4,682,944
COVID-19.....	-	-	-	772,682	772,682
Pension benefits.....	13,710,080	-	-	-	13,710,080
Pension benefits - Teachers Retirement.....	25,916,346	-	-	-	25,916,346
Employee benefits.....	42,724,756	-	-	-	42,724,756
State and county charges.....	9,786,834	-	-	-	9,786,834
Debt service:					
Principal.....	10,747,269	-	-	-	10,747,269
Interest.....	7,190,205	39,776	-	-	7,229,981
TOTAL EXPENDITURES.....	259,236,049	4,722,720	24,474,054	21,725,719	310,158,542
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	4,951,978	(1,363,024)	(23,081,807)	7,611,574	(11,881,279)
OTHER FINANCING SOURCES (USES):					
Capital lease financing.....	681,372	-	-	-	681,372
Transfers in.....	3,725,146	-	354,600	136,272	4,216,018
Transfers out.....	(592,508)	-	-	(3,725,146)	(4,317,654)
TOTAL OTHER FINANCING SOURCES (USES).....	3,814,010	-	354,600	(3,588,874)	579,736
NET CHANGE IN FUND BALANCES.....	8,765,988	(1,363,024)	(22,727,207)	4,022,700	(11,301,543)
FUND BALANCES AT BEGINNING OF YEAR.....	44,584,756	3,221,264	4,461,722	19,002,489	71,270,231
FUND BALANCES AT END OF YEAR.....	\$ 53,350,744	\$ 1,858,240	\$ (18,265,485)	\$ 23,025,189	\$ 59,968,688

(1) Extracted from the Town's audited financial statements.

TOWN OF PLYMOUTH, MASSACHUSETTS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED JUNE 30, 2019 (1)

	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.....	\$ 173,050,000	\$ -	\$ -	\$ -	\$ -	\$ 173,050,000
Tax liens.....	786,004	-	-	-	-	786,004
Motor vehicle and other excise taxes.....	9,653,522	-	-	-	-	9,653,522
Charges for services.....	34,615	-	-	-	144,551	179,166
Penalties and interest on taxes.....	920,672	-	-	-	-	920,672
Fees and rentals.....	-	-	-	-	1,585	1,585
Payments in lieu of taxes.....	76,149	-	-	-	-	76,149
Intergovernmental - federal.....	-	-	-	-	9,219,779	9,219,779
Intergovernmental - state aid.....	36,170,072	-	-	-	3,786,208	39,955,867
Intergovernmental - Teachers Retirement.....	20,462,093	-	-	-	-	20,462,093
Intergovernmental - other.....	-	-	-	-	2,841,667	2,842,080
Departmental and other.....	7,871,334	-	-	-	7,554,088	15,425,421
Community preservation taxes.....	-	2,525,463	-	-	-	2,525,463
Community preservation state match.....	-	455,363	-	-	-	455,363
Contributions and donations.....	-	-	369,796	-	800,558	1,170,354
Investment income.....	2,459,144	117,352	-	-	160,684	2,737,180
Miscellaneous.....	-	-	-	-	144,357	144,357
TOTAL REVENUES.....	251,483,605	3,098,178	369,796	-	24,653,477	279,605,056
EXPENDITURES:						
Current:						
General government.....	9,464,975	-	5,185,099	-	2,430,523	17,080,597
Public safety.....	25,573,364	-	1,485,304	-	960,605	28,019,273
Education.....	97,506,649	-	-	5,546,377	11,790,042	114,843,068
Public works.....	11,342,850	-	5,384,247	-	5,161,005	21,888,101
Health and human services.....	1,615,816	-	-	-	250,903	1,866,719
Culture and recreation.....	3,021,134	-	-	-	1,044,965	4,066,099
Community preservation.....	-	1,580,533	-	-	-	1,580,533
Pension benefits.....	12,651,919	-	-	-	-	12,651,919
Pension benefits - Teachers Retirement.....	20,462,093	-	-	-	-	20,462,093
Employee benefits.....	41,268,638	-	-	-	-	41,268,638
State and county charges.....	9,512,059	-	-	-	-	9,512,059
Debt service:						
Principal.....	9,826,258	-	-	-	-	9,826,258
Interest.....	7,058,588	69,634	-	-	-	7,128,222
TOTAL EXPENDITURES.....	249,304,343	1,650,167	12,054,650	5,546,377	21,638,043	290,193,580
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	2,179,262	1,448,011	(11,684,854)	(5,546,377)	3,015,434	(10,588,524)
OTHER FINANCING SOURCES (USES):						
Issuance of bonds.....	-	-	14,127,200	5,005,000	-	19,132,200
Premium from issuance of bonds and notes.....	-	-	1,725,000	495,000	13,404	2,233,404
Proceeds from the sale of assets.....	-	-	-	-	513,000	513,000
Transfers in.....	3,799,460	335,000	-	-	31,887	4,166,347
Transfers out.....	(58,171)	-	(10,484)	-	(4,762,701)	(4,831,356)
TOTAL OTHER FINANCING SOURCES (USES)...	3,741,289	335,000	15,841,716	5,500,000	(4,204,410)	21,213,595
NET CHANGE IN FUND BALANCES.....	5,920,551	1,783,011	4,156,862	(46,377)	(1,188,976)	10,625,071
FUND BALANCES AT BEGINNING OF YEAR.....	38,664,205	1,438,253	304,860	382,617	19,855,225	60,645,160
FUND BALANCES AT END OF YEAR.....	\$ 44,584,756	\$ 3,221,264	\$ 4,461,722	\$ 336,240	\$ 18,666,249	\$ 71,270,231

(1) Extracted from the Town's audited financial statements.

TOWN OF PLYMOUTH, MASSACHUSETTS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED JUNE 30, 2018 (1)

	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	\$ 165,028,132	\$ -	\$ -	\$ -	\$ -	\$ 165,028,132
Tax Liens	749,999	-	-	-	-	749,999
Motor Vehicle and other excise taxes	9,625,607	-	-	-	-	9,625,607
Penalties and interest on taxes	814,233	-	-	-	-	814,233
Payments in lieu of taxes	84,996	-	-	-	-	84,996
Intergovernmental- federal	18,144	-	-	-	7,371,803	7,389,947
Intergovernmental- state	34,970,488	-	-	-	8,297,970	43,268,458
Intergovernmental- Teachers Retirement	20,396,099	-	-	-	-	20,396,099
Departmental and other	7,279,351	-	-	-	9,143,490	16,422,841
Community preservation taxes	-	2,392,394	-	-	-	2,392,394
Community preservation state match	-	389,552	-	-	-	389,552
Contributions and donations	-	-	2,048,381	-	1,025,116	3,073,497
Investment Income	634,190	57,461	-	-	22,337	713,988
Total Revenues	239,601,239	2,839,407	2,048,381	-	25,860,716	270,349,743
EXPENDITURES:						
Current:						
General government	8,987,834	4,449	4,160,790	-	3,862,601	17,015,674
Public safety	25,140,088	-	-	-	724,498	25,864,586
Education	95,242,935	-	-	15,695,667	10,709,628	121,648,230
Public works	12,656,035	-	4,993,549	-	4,948,591	22,598,175
Health and human services	1,452,345	-	-	-	197,130	1,649,475
Culture and recreation	2,821,901	-	-	-	425,948	3,247,849
Community preservation	-	1,379,383	-	-	-	1,379,383
Pension benefits	12,282,001	-	-	-	-	12,282,001
Pension benefits - Teachers Retirement	20,396,099	-	-	-	-	20,396,099
Employee benefits	40,774,179	-	-	-	-	40,774,179
State and county charges	8,206,438	-	-	-	-	8,206,438
Debt service:						
Principal	10,075,965	-	-	-	-	10,075,965
Interest	7,102,713	68,098	-	-	-	7,170,811
Total Expenditures	245,138,533	1,451,930	9,154,339	15,695,667	20,868,396	292,308,865
Excess (Deficiency) of Revenues Over Expenditures	(5,537,294)	1,387,477	(7,105,958)	(15,695,667)	4,992,320	(21,959,122)
OTHER FINANCING SOURCES (USES):						
Issuance of bonds	-	-	-	-	200,000	200,000
Premium from issuance of bonds and notes	-	-	-	-	235,683	235,683
Proceeds from the sale of assets	-	-	-	-	631,500	631,500
Transfers in	6,122,035	-	162,669	-	247,504	6,532,208
Transfers out	(410,173)	-	-	-	(4,041,425)	(4,451,598)
Total Other Financing Sources (Uses)	5,711,862	-	162,669	-	(2,726,738)	3,147,793
Net Change in Fund Balances	174,568	1,387,477	(6,943,289)	(15,695,667)	2,265,582	(18,811,329)
Fund Balances at beginning of year	37,476,823	50,776	7,248,149	16,078,284	18,602,457	79,456,489
Fund Balances at end of year	\$ 37,651,391	\$ 1,438,253	\$ 304,860	\$ 382,617	\$ 20,868,039	\$ 60,645,160

(1) Extracted from audited financial statements.

TOWN OF PLYMOUTH, MASSACHUSETTS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED JUNE 30, 2017 (1)

	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	\$ 156,078,927	\$ -	\$ -	\$ -	\$ -	\$ 156,078,927
Tax Liens	1,559,140	-	-	-	-	1,559,140
Motor Vehicle and other excise taxes	9,008,098	-	-	-	-	9,008,098
Community preservation tax	-	2,276,962	-	-	-	2,276,962
Penalties and interest on taxes	909,458	-	-	-	-	909,458
Payments in lieu of taxes	74,724	-	-	-	-	74,724
Intergovernmental-federal	691,726	-	-	-	7,868,665	8,560,391
Intergovernmental-state	52,534,709	440,684	-	27,864,027	7,203,323	88,042,743
Departmental and other	6,859,783	-	-	-	8,347,942	15,207,725
Contributions	-	-	204,369	-	860,159	1,064,528
Investment Income/(loss)	866,518	36,483	-	-	28,467	931,468
Total Revenues	228,583,083	2,754,129	204,369	27,864,027	24,308,556	283,714,164
EXPENDITURES:						
Current:						
General government	8,571,571	-	19,036,305	-	2,074,485	29,682,361
Public safety	24,180,242	-	-	-	787,438	24,967,680
Education	97,716,257	-	-	47,594,972	10,227,414	155,538,643
Public works	9,333,705	-	-	-	8,723,302	18,057,007
Human services	1,434,519	-	-	-	232,804	1,667,323
Culture and recreation	2,831,365	-	-	-	1,371,118	4,202,483
Community preservation	-	7,275,232	-	-	-	7,275,232
Pension benefits	30,384,457	-	-	-	-	30,384,457
Employee benefits	38,531,121	-	-	-	-	38,531,121
State and county charges	1,082,997	-	-	-	-	1,082,997
Debt service:						
Principal	8,134,901	-	-	-	-	8,134,901
Interest	5,422,172	-	-	-	-	5,422,172
Total Expenditures	227,623,307	7,275,232	19,036,305	47,594,972	23,416,561	324,946,377
Excess (Deficiency) of Revenues Over Expenditures	959,776	(4,521,103)	(18,831,936)	(19,730,945)	891,995	(41,232,213)
OTHER FINANCING SOURCES (USES):						
Issuance of bonds	-	-	31,010,000	30,000,000	7,665,000	68,675,000
Proceeds from refunding bonds	8,390,125	-	-	-	-	8,390,125
Premium from issuance of bonds and notes	-	-	1,766,000	-	3,270,155	5,036,155
Premium from issuance of refunding bonds	1,099,698	-	-	-	-	1,099,698
Payments to refunded bond escrow agent	(9,489,823)	-	-	-	-	(9,489,823)
Sale of assets	-	-	-	-	20,000	20,000
Transfers in	4,040,737	-	-	2,250,595	1,212,607	7,503,939
Transfers out	(1,272,514)	-	-	-	(4,215,239)	(5,487,753)
Total Other Financing Sources (Uses)	2,768,223	-	32,776,000	32,250,595	7,952,523	75,747,341
Net Change in Fund Balances	3,727,999	(4,521,103)	13,944,064	12,519,650	8,844,518	34,515,128
Fund Balances at beginning of year	33,748,824	4,571,879	(9,359,577)	3,558,634	12,421,601	44,941,361
Fund Balances at end of year	\$ 37,476,823	\$ 50,776	\$ 4,584,487	\$ 16,078,284	\$ 21,266,119	\$ 79,456,489

(1) Extracted from audited financial statements.

Unassigned General Fund Balances and Free Cash

Under Massachusetts law an amount known as "free cash" is certified as of the beginning of each fiscal year by the state Bureau of Accounts and this, together with certain subsequent tax receipts, is used as the basis for subsequent appropriations from available funds, which are not required to be included in the annual tax levy. Subject to certain adjustments, free cash is surplus revenue less uncollected and overdue property taxes from prior years. The following table presents the trend in the Town's unassigned general fund balances and free cash:

Year	Unassigned General Fund Balance as of June 30 (1)	Certified Free Cash as of July 1
2021	\$ 48,590,271	\$ 19,713,396
2020	38,254,367	10,127,293
2019	33,364,727	10,236,076
2018	26,982,036	5,686,497
2017	25,831,264	5,145,208

(1) Source: Audited financial statements.

Stabilization Fund

The Town maintains a stabilization fund that is accounted for in the Trust Funds. The Stabilization Fund plus accrued interest income may be appropriated at an annual or special town meeting for any municipal purpose. The table below sets forth the Stabilization Fund balances at year end for the last five fiscal years:

FY Ending June 30	Stabilization Fund Balance
2021	\$ 12,386,907
2020	11,941,238
2019	10,835,131
2018	10,055,441
2017	10,018,653

Source: Town Treasurer.

Nuclear Plant Mitigation Fund

The Town created a Nuclear Plant Mitigation Fund to be used to reduce the impact on the tax levy during the decommissioning of the power plant. The balance in the fund as of June 30, 2021 was \$8,542,726 and the Town expects to add to the fund in each of the next several years.

Tax Increment Financing for Development Districts

Under recent legislation, cities and towns are authorized to establish development districts to encourage increased residential, industrial and commercial activity. All or a portion of the taxes on growth in assessed value in such districts may be pledged and used solely to finance economic development projects pursuant to the city or town's development program for the district. This includes pledging such "tax increments" for the payment of bonds issued to finance such projects. As a result of any such pledge, tax increments raised from new growth properties in development districts are not available for other municipal purposes. Tax increments are taken into account in determining the total taxes assessed for the purpose of calculating the maximum permitted tax levy under Proposition 2 ½ (see "Tax Limitations" under "PROPERTY TAXATION" above).

The Town has not established any such districts.

Investment of Town Funds

Investments of funds of cities and towns, except for trust funds, are generally restricted by Massachusetts General Laws Chapter 44, §55. That statute permits investments of available revenue funds and bond and note proceeds in term deposits and certificates of deposits of banks and trust companies, in obligations issued or unconditionally guaranteed by the federal government or an agency thereof with a maturity of not more than one year, in repurchase agreements with a maturity of not more than 90 days secured by federal or federal agency securities, in participation units in the Massachusetts Municipal Depository Trust ("MMDT"), or in shares in SEC-registered money market funds with the highest possible rating from at least one nationally recognized rating organization.

MMDT is an investment pool created by the Commonwealth under the supervision of the State Treasurer's office. According to the State Treasurer the Trust's investment policy is designed to maintain an average weighted maturity of 90 days or less and is limited to high-quality, readily marketable fixed income instruments, including U.S. Government obligations and highly-rated corporate securities with maturities of one year or less.

Trust funds, unless otherwise provided by the donor, may be invested in accordance with §54 of Chapter 44, which permits a broader range of investments than §55, including any bonds or notes that are legal investments for savings banks in the Commonwealth. The restrictions imposed by §54 and §55 do not apply to city and town retirement systems.

INDEBTEDNESS

Authorization of General Obligation Bonds and Notes

Serial bonds and notes are authorized by vote of two-thirds of the town meeting. Provision is made for a referendum on the borrowing authorization if there is a timely filing of a petition bearing the requisite number of signatures. Refunding bonds and notes are authorized by the selectmen. Borrowings for some purposes require State administrative approval.

When serial bonds or notes have been authorized, bond anticipation notes may be issued by the officers authorized to issue serial bonds or notes. Revenue anticipation notes and temporary notes in anticipation of authorized federal and state aid generally may be issued by the Treasurer with the approval of the Select Board.

General Debt Limit. The General Debt Limit of the Town consists of a Normal Debt Limit and a Double Debt Limit. The Normal Debt Limit is 5 percent of the valuation of taxable property as last equalized by the State Department of Revenue. The Town can authorize debt up to this amount without State approval. It can authorize debt up to twice this amount (the Double Debt Limit) with the approval of the State Municipal Finance Oversight Board consisting of the Attorney General, the State Treasurer, the State Auditor, and the Director of Accounts.

There are many categories of general obligation debt which are exempt from and do not count against the General Debt Limit. Among others, these exempt categories include revenue anticipation notes and grant anticipation notes, emergency loans, loans exempted by special laws, certain school bonds, sewer bonds, water bonds, bonds for electric, gas and telecommunications systems, solid waste disposal facility bonds and economy development bonds supported by tax increments financing, and subject to special debt limits, bonds for housing, urban renewal and economic development (subject to various debt limits). Revenue bonds are not subject to these debt limits. The General Debt Limit and the special debt limit apply at the time the debt is authorized. The other special debt limits generally apply at the time the debt is incurred.

Revenue Anticipation Notes. The amount borrowed in each fiscal year by the issue of revenue anticipation notes is limited to the tax levy of the prior fiscal year, together with the net receipts in the prior fiscal year from the motor vehicle excise and certain payments made by the Commonwealth in lieu of taxes. The fiscal year ends on June 30. Notes may mature in the following fiscal year, and notes may be refunded into the following fiscal year, to the extent of the uncollected, unabated current tax levy and certain other items, including revenue deficits, overlay deficits, final judgments and lawful unappropriated expenditures, which are to be added to the next tax levy, but excluding deficits arising from a failure to collect taxes of earlier years. (See "PROPERTY TAXATION - Taxation to Meet Deficits," above). In any event, the period from an original borrowing to its final maturity cannot exceed one year.

Types of Obligations

General Obligations. Massachusetts cities and towns are authorized to issue general obligation indebtedness of these types:

Serial Bonds and Notes. These are generally required to be payable in annual principal amounts beginning no later than the end of the next fiscal year commencing after the date of issue and ending within the terms permitted by law. A level debt service schedule, or a schedule that provides for a more rapid amortization of principal than level debt service, is permitted. The principal amounts of certain economic development bonds supported by tax increment financing may be payable in equal, diminishing or increasing amounts beginning within 5 years after the date of issue. The maximum terms of serial bonds and notes vary from one year to 40 years, depending on the purpose of the issue. The maximum terms permitted are set forth in the statutes. In addition, for many projects, the maximum term may be determined in accordance with useful life guidelines promulgated by the State Department of Revenue ("DOR"). Serial bonds and notes may be issued for the purposes set forth in the statutes. In addition, serial bonds and notes may be issued for any other public work improvement or asset not specifically listed in the Statutes that has a useful life of at least 5 years. Bonds or notes may be made callable and redeemed prior to their maturity, and a redemption premium may be paid. Refunding bonds or notes may be issued subject to the maximum applicable term measured from the date of the original bonds or notes and must produce present value savings over the debt service of the refunded bonds. Generally, the first required annual payment of principal of the refunding bonds cannot be later than the first principal payment of any of the bonds or notes being refunded thereby, however, principal payments made before the first principal payment of any of the bonds or notes being refunded thereby may be in any amount.

Serial bonds may be issued as "qualified bonds" with the approval of the state Municipal Finance Oversight Board composed of the State Treasurer, the State Auditor, the Attorney General and the Director of Accounts, subject to such conditions and limitations (including restrictions on future indebtedness) as may be required by the Board. Qualified bonds may mature not less than 10 nor more than 30 years from their dates and are not subject to the amortization requirements described above. The State Treasurer is required to pay the debt service on qualified bonds and thereafter to withhold the amount of the debt service paid by the State from state aid or other state payments; administrative costs and any loss of interest income to the State are to be assessed upon the city or town.

Tax Credit Bonds or Notes. Subject to certain provisions and conditions, the officers authorized to issue bonds or notes may designate any duly authorized issue of bonds or notes as “tax credit bonds” to the extent such bonds and notes are otherwise permitted to be issued with federal tax credits or other similar subsidies for all or a portion of the borrowing costs. Tax credit bonds may be made payable without regard to the annual installments required by any other law, and a sinking fund may be established for the payment of such bonds. Any investment that is part of such a sinking fund may mature not later than the date fixed for payment or redemption of the applicable bonds.

Bond Anticipation Notes. These generally must mature within two years of their original dates of issuance, but may be refunded from time to time for a period not to exceed ten years from their original dates of issuance, provided that for each year that the notes are refunded beyond the second year they must be paid in part from revenue funds in an amount at least equal to the minimum annual payment that would have been required if the bonds had been issued at the end of the second year. For certain school projects, however, notes may be refunded from time to time for a period not to exceed seven years without having to pay any portion of the principal of the notes from revenue funds. The maximum term of bonds issued to refund bond anticipation notes (except for certain school projects) is measured from the date of the original issue of the notes.

Revenue Anticipation Notes. These are issued to meet current expenses in anticipation of taxes and other revenues. They must mature within one year but, if payable in less than one year, may be refunded from time to time up to one year from the original date of issue. The Town has not borrowed in anticipation of revenue since fiscal 1992.

Grant Anticipation Notes. These are issued for temporary financing in anticipation of federal grants and state and county reimbursements. Generally, they must generally mature within two years but may be refunded from time to time as long as the municipality remains entitled to the grant or reimbursement.

Revenue Bonds. Cities and towns may issue revenue bonds for solid waste disposal facilities and for projects financed under the Commonwealth's Revolving Loan Programs and for certain economic development projects supported by tax increment financing. In addition, cities and towns having electric departments may issue electric revenue bonds, and notes in anticipation of such bonds, subject to the approval of the State Department of Telecommunications and Energy.

Direct Debt Summary (1) as of June 30, 2021

General Obligation Bonds:

Within the General Debt Limit (2):

Sewer	\$ 981,300	
MCWT	25,133,534	
General	78,776,896	
Schools	9,094,350	
Airport	350,000	
CPA	815,466	
Total:	<u>815,466</u>	<u>\$ 115,151,546</u>

Outside the Debt Limit:

Water (2)	\$ 16,486,950	
Schools	51,970,000	
General	22,054,089	
MCWT	1,417,064	
Sewer	11,900,738	
Total:	<u>11,900,738</u>	<u>\$ 103,828,841</u>

Total General Obligation Bonds: \$ 218,980,387

Temporary Loans:

New Money Bond Anticipation Notes - This Issue (3) \$ 4,055,000

Total Temporary Loans Outstanding after This Issue: \$ 4,055,000

Total Direct Debt after This Issue: \$ 223,035,387

(1) Principal amount only. Excludes lease and installment purchase obligations, overlapping debt and unfunded pension liability.

(2) Based on the Town's equalized valuation of \$12,163,150,000 effective January 1, 2020, its Normal General Debt Limit is \$608,157,500 and its Double General Debt Limit is \$1,216,315,000. (See "Debt Limits," above.)

(3) This issue, payable June 28, 2023.

Key Debt Ratios

	2021	2020	As of June 30 2019	2018	2017
Amount (1)	\$ 218,980,387	\$ 203,222,188	\$ 218,942,409	\$ 185,791,861	\$ 199,529,988
Per Capita Debt (2)	\$ 3,878	\$ 3,599	\$ 3,877	\$ 3,290	\$ 3,534
Percent of Assessed Valuation (3)	1.86%	1.81%	2.07%	1.84%	2.11%
Percent of Equalized Valuation (4)	1.80%	1.88%	2.03%	1.92%	2.07%
Debt Per Capita as a Percent of Per Capita Income (2)	11.69%	10.85%	11.69%	9.92%	10.65%

(1) Excludes temporary loans, lease-purchase obligations, overlapping debt, unfunded pension liability and other unfunded post-employment benefits liability.

(2) Source: U.S. Department of Commerce, Bureau of the Census - Latest applicable actuals or estimates.

(3) Source: Board of Assessors - Assessed valuation as of the prior January 1.

(4) Source: Massachusetts Department of Revenue. (Equalized valuation in effect for that fiscal year.)

Annual Debt Service Requirements as of June 30, 2021 (1)

The following table sets forth the required principal and interest payments on outstanding general obligation bonds of the Town of Plymouth as of June 30, 2021.

Fiscal Year	Outstanding (2)		Less MCWT Subsidy	Net Debt Service	Cumulative Principal Retired
	Principal	Interest			
2022	\$ 14,442,348	\$ 8,052,980	\$ (212,838)	\$ 22,282,490	6.6 %
2023	13,456,799	7,663,551	(198,261)	20,922,088	12.7
2024	12,543,509	7,069,007	(1,976)	19,610,540	18.5
2025	12,514,656	6,514,633	(125)	19,029,164	24.2
2026	12,415,341	5,960,421	-	18,375,762	29.9
2027	12,191,040	5,409,871	-	17,600,910	35.4
2028	11,821,756	4,870,006	-	16,691,762	40.8
2029	10,524,152	4,374,227	-	14,898,379	45.6
2030	10,169,900	3,924,243	-	14,094,143	50.3
2031	10,220,663	3,486,084	-	13,706,747	54.9
2032	9,786,443	3,125,604	-	12,912,047	59.4
2033	9,427,238	2,814,927	-	12,242,165	63.7
2034	9,173,052	2,499,859	-	11,672,911	67.9
2035	8,753,882	2,226,662	-	10,980,544	71.9
2036	8,316,463	1,975,986	-	10,292,449	75.7
2037	7,124,062	1,729,093	-	8,853,155	78.9
2038	6,736,293	1,504,489	-	8,240,782	82.0
2039	6,351,793	1,278,496	-	7,630,289	84.9
2040	5,309,868	1,070,081	-	6,379,949	87.3
2041	4,235,118	892,132	-	5,127,250	89.3
2042	3,727,937	752,991	-	4,480,928	91.0
2043	3,792,930	622,630	-	4,415,560	92.7
2044	3,642,922	502,495	-	4,145,418	94.4
2045	3,697,914	386,586	-	4,084,500	96.1
2046	3,487,906	255,476	-	3,743,382	97.7
2047	2,042,898	132,817	-	2,175,714	98.6
2048	1,052,889	67,795	-	1,120,684	99.1
2049	1,057,880	42,423	-	1,100,304	99.6
2050	521,368	21,420	-	542,788	99.8
2051	441,368	9,710	-	451,078	100.0
Total	\$ 218,980,387	\$ 79,236,696	\$ (413,201)	\$ 297,803,882	

(1) Excludes short-term debt, lease and installment purchase obligations, overlapping debt, unfunded pension liability, other unfunded post-employment benefits liability and the issue of Bonds.

(2) Principal totaling \$83,143,566 and interest totaling \$34,314,149 has been excluded from the provisions of Proposition 2 ½.

Authorized Unissued Debt

Currently, the Town has approximately \$36,446,356 authorized unissued debt as follows:

Purpose	Amount
Beach Restoration	\$ 2,506,000
Stephen's Field Land Development (CPA)	1,800,000
DPW-Engineering Relocate Existing Culvert	643,000
DPW-Sewer Collection System Rehabilitation	700,000
DPW-Sewer Cordage Gravity Sewer Interceptor Relocation	90,000
Septic System Bonds	300,000
Fire Station Renovations	1,607,356
Monomet Zone Pipe Upgrades	5,100,000
Marine & Environmental Harbor Dredging	2,600,000
Title V, Repair & Upgrade Septic Systems	300,000
Fire Station #2	9,200,000
Indian Brook School Roof	4,000,000
Federal Furnace Elementary School Roof	3,800,000
West Elementary School Roof	3,800,000
Total:	<u>\$ 36,446,356</u>

Overlapping Debt (1)

The following is the only principal entity whose indebtedness is chargeable to the Town of Plymouth or payable from taxation of property within the Town.

	Outstanding Debt as of 6/30/2021	Authorized But Unissued	Plymouth's Estimated Share	Fiscal 2022 Assessment
Plymouth County (2)	\$ 825,000	N/A	13.29%	\$ 227,700

(1) Dollar assessment based upon net operating expenses, inclusive of debt service where applicable.

(2) Source: Massachusetts Department of Revenue. County expenses, including operating costs and debt service on County bonds, if applicable, are assessed upon cities and towns within the county in proportion to their valuation of taxable property as last equalized by the State Commissioner of Revenue. Legislation enacted in 1997 abolished the county governments of Franklin and Middlesex counties as of July 1, 1997, with their assets, functions, debts and other obligations being assumed by the Commonwealth. The abolishment of the Middlesex County government was in part in response to a default by the county in the payment of general obligation notes of the County. The legislation also abolished the county governments of Hampden and Worcester counties as of July 1, 1998. Legislation enacted in 1998 abolished the county governments of Hampshire, Essex and Berkshire counties as of January 1, 1999, July 1, 1999 and July 1, 2000, respectively. The legislation requires the state secretary for administration and finance to establish a plan to recover the Commonwealth's expenditures for the liabilities and other debts assumed and paid by the Commonwealth on behalf of an abolished county. Unless these provisions are changed by further legislation, the state treasurer shall assess upon each city and town within the jurisdiction of an abolished county an amount not exceeding or equal to the county tax paid by each such city and town for the fiscal year immediately prior to the abolishment of the county until such expenditures by the Commonwealth are recovered. It is possible that similar legislation will be sought to provide for the abolishment of county government in all remaining counties.

Contracts

Municipal contracts are generally limited to currently available appropriations. A city or town generally has the authority to enter into contracts for the exercise of any of its corporate powers for any period of time deemed to serve its best interest, but generally only when funds are available for the first fiscal year; obligations for succeeding fiscal years generally are expressly subject to availability and appropriation of funds. Municipalities have specific authority in relatively few cases to enter long-term contractual obligations that are not subject to annual appropriation, including contracts for refuse disposal and sewage treatment and disposal. Municipalities may also enter into long-term contracts in aid of housing and renewal projects. There may be implied authority to make other long-term contracts required to carry out authorized municipal functions, such as contracts to purchase water from private water companies.

Municipal contracts relating to solid waste disposal facilities may contain provisions requiring the delivery of minimum amounts of waste and payments based thereon and requiring payments in certain circumstances without regard to the operational status of the facilities.

Municipal electric departments have statutory power to enter into long-term contracts for joint ownership and operation of generating and transmission facilities and for the purchase or sale of capacity, including contracts requiring payments without regard to the operational status of the facilities.

Pursuant to the Home Rule Amendment to the Massachusetts Constitution, cities and towns may also be empowered to make other contracts and leases.

The Town of Plymouth is a participant in the following significant long-term contracts:

On August 11, 1989, the Town entered into an 18 year agreement with the SEMASS Partnership* for solid waste disposal. Total charges are calculated based on a formula of tipping and transport fees. The Town entered into new 5-year contract with SEMASS effective January 1, 2015 through December 31, 2020, with an automatic renewal clause for up to 5 years. The tipping fee is \$65 per ton for the first year, with a 2.5% annual escalator on the per ton fee.

The Town entered a subsequent 5-year agreement with SEMASS Partnership, effective from January 1, 2021 to December 31, 2025, that includes a significant rate adjustment in the first two years to a rate of \$97.50 a ton and then a 2.5% escalator in the last 3 years. The schedule of acceptance fees is as follows:

1/1/2021 - 12/31/2021:	\$ 85.00 /Ton
1/1/2022 - 12/31/2022:	\$ 97.50 /Ton
1/1/2023 - 12/31/2023:	\$ 99.94 /Ton
1/1/2024 - 12/31/2024:	\$ 102.44 /Ton
1/1/2025 - 12/31/2025:	\$ 105.00 /Ton

The fiscal year 2021 cost of this contract was \$233,183 and the fiscal year 2022 budgeted cost is \$268,738.

* Private contractors must now contract directly with the SEMASS Partnership.

On July 1, 2017, the School Department entered into a 7-year school bus contract with options for 3 additional years for fiscal years 2025-2027. Annual costs provided below are based on daily transportation to and from school for 180 days; after school (late) buses for the secondary schools for the year and an estimated number of athletic and field trips for the school year. The costs break down for the 7 known years is as follows:

<u>Year</u>	<u>Annual Cost</u>
2017-2018	\$ 5,030,657
2018-2019	5,168,934
2019-2020	5,311,119
2020-2021	5,457,169
2021-2022	5,607,210
2022-2023	5,761,363
2023-2024	5,919,807

In addition, the Town and school department have entered into 5 net metering credit purchase agreements with various vendors.

RETIREMENT SYSTEMS

The Massachusetts General Laws provide for the establishment of contributory retirement systems for state employees, for teachers and for county, city and town employees other than teachers. Teachers are assigned to a separate statewide teachers' system and not to the city and town systems. For all employees other than teachers, this law is subject to acceptance in each city and town. Substantially all employees of an accepting city or town are covered. If a town has a population of less than 10,000 when it accepts the statute, its non-teacher employees participate through the county system and its share of the county cost is proportionate to the aggregate annual rate of regular compensation of its covered employees. In addition to the contributory systems, cities and towns provide non-contributory pensions to a limited number of employees, primarily persons who entered service prior to July 1, 1937 and their dependents. The Public Employee Retirement Administration Commission ("PERAC") provides oversight and guidance for and regulates all state and local retirement systems.

The obligations of a city or town, whether direct or through a county system, are contractual legal obligations and are required to be included in the annual tax levy. If a city or town, or the county system of which it is a member, has not established a retirement system funding schedule as described below, the city or town is required to provide for the payment of the portion of its current pension obligations which is not otherwise covered by employee contributions and investment income. "Excess earnings," or earnings on individual employees' retirement accounts in excess of a predetermined rate, are required to be set aside in a pension reserve fund for future, not current, pension liabilities. Cities and towns may voluntarily appropriate to their system's pension reserve fund in any given year up to five percent of the preceding year's tax levy. The aggregate amount in the fund may not exceed ten percent of the equalized valuation of the city or town.

If a city or town, or each member city and town of a county retirement system, has accepted the applicable law, it is required to annually appropriate an amount sufficient to pay not only its current pension obligations, but also a portion of its future pension liability. The portion of each such annual payment allocable to future pension obligations is required to be deposited in the pension reserve fund. The amount of the annual city or town appropriation for each such system is prescribed by a retirement system funding schedule which is periodically reviewed and approved by PERAC. Each system's retirement funding schedule is designed to reduce the unfunded actuarial pension liability of the system to zero by not later than June 30, 2030, with annual increases in the scheduled payment amounts of not more than 4.5 percent. The funding schedule must provide that payment in any year of the schedule is not less than 95 percent of the amount appropriated in the previous fiscal year. City, town and county systems which have an approved retirement funding schedule receive annual pension funding grants from the Commonwealth for the first 16 years of such funding schedule. Pursuant to recent legislation, a system (other than the state employees' retirement system and the teachers' retirement system) which conducts an actuarial valuation as of January 1, 2009, or later, may establish a revised schedule which reduces the unfunded actuarial liability to zero by not later than June 30, 2040, subject to certain conditions. If the schedule is so extended under such provisions and a later updated valuation allows for the development of a revised schedule with reduced payments, the revised schedule shall be adjusted to provide that the appropriation for each year shall not be less than that for such year under the prior schedule, thus providing for a shorter schedule rather than reduced payments.

City, town and county systems may choose to participate in the Pension Reserves Investment Trust Fund (the "PRIT Fund"), which receives additional state funds to offset future pension costs of participating state and local systems. If a local system participates in the PRIT Fund, it must transfer ownership and control of all assets of its system to the Pension Reserves Investment Management Board, which manages the investment and reinvestment of the PRIT Fund. Cities and towns with systems participating in the PRIT Fund continue to be obligated to fund their pension obligations in the manner described above. The additional state appropriations to offset future pension liabilities of state and local systems participating in the PRIT Fund are required to total at least 1.3 percent of state payroll. Such additional state appropriations are deposited in the PRIT Fund and shared by all participating systems in proportion to their interests in the assets of the PRIT Fund as of July 1 for each fiscal year.

Cost-of-living increases for each local retirement system may be granted and funded only by the local system, and only if it has established a funding schedule. Those statutory provisions are subject to acceptance by the local retirement board and approval by the local legislative body, which acceptance may not be revoked.

Town of Plymouth Retirement System

Retirement benefits for employees other than School Department teaching staff are provided through the Town of Plymouth Contributory Retirement System (the "System"). The System is a member of the Massachusetts Contributory Retirement System and is governed by Chapter 32 of the Massachusetts General Laws. Town contributions are funded on an actuarial basis as directed by the Commonwealth's Public Employees Retirement Administration (PERAC).

The following table sets forth the trend of the annual contributions of the Town to the System:

<u>Year Ending</u> <u>June 30</u>	<u>Contributory</u>
2022 (Budgeted)	\$ 16,202,128
2021	15,472,678
2020	14,287,737
2019	13,240,525
2018	12,282,001
2017	11,396,079

Source: Finance Director.

As of January 1, 2020, the unfunded actuarial accrued liability of the Plymouth Contributory Retirement System was as follows:

Actuarial Accrued Liability	\$365,596,455
Less Actuarial Value of Assets	<u>189,583,543</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$176,012,912

The Town's current funding schedule assumes a 7.0% rate of return and fully amortizes the unfunded actuarial accrued liability by 2035 as shown below. As a result of the COVID-19 pandemic, it is likely that investments of pension fund assets have declined in value, thereby increasing the unfunded actuarial accrued liability of the System.

Plymouth Contributory Retirement System Funding Schedule

Fiscal Year Ending	Employer Normal Cost	Amortization Payment of UAL	Amortization Payment of ERI 2002	Net 3(8)(c) Transfers	Total Employer Cost	Increase over Prior Year	Unfunded Actuarial Accrued Liability
2021	\$4,694,737	\$10,812,016	\$ 6,611	\$300,000	\$15,813,364	--	\$176,012,912
2022	4,859,052	11,438,088	6,891	300,000	16,604,031	5.00 %	177,142,942
2023	5,029,118	12,097,931	7,184	300,000	17,434,233	5.00	177,704,169
2024	5,205,137	13,325,061	7,490	300,000	18,837,688	8.05	177,621,833
2025	5,387,317	14,658,998	7,808	300,000	20,354,123	8.05	176,264,062
2026	5,575,873	16,108,617	8,140	300,000	21,992,630	8.05	173,431,085
2027	5,771,029	17,683,522	8,486	300,000	23,763,037	8.05	168,899,958
2028	5,973,014	19,394,099	8,847	300,000	25,675,960	8.05	162,422,200
2029	6,182,070	21,260,806	-	300,000	27,742,876	8.05	153,721,190
2030	6,398,443	23,277,735	-	300,000	29,976,178	8.05	142,489,325
2031	6,622,389	25,466,871	-	300,000	32,389,260	8.05	128,384,901
2032	6,854,173	27,842,422	-	300,000	34,996,595	8.05	111,028,708
2033	7,094,069	30,419,753	-	300,000	37,813,822	8.05	90,000,293
2034	7,342,362	33,215,472	-	300,000	40,857,834	8.05	64,833,877
2035	7,599,345	36,218,657	-	300,000	44,118,002	7.98	35,013,897
2036	7,865,322	-	-	300,000	8,165,322	-81.49	-
2037	8,140,608	-	-	300,000	8,440,608	3.37	-
2038	8,425,530	-	-	300,000	8,725,530	3.38	-
2039	8,720,423	-	-	300,000	9,020,423	3.38	-
2040	9,025,637	-	-	300,000	9,325,637	3.38	-
2041	9,341,535	-	-	300,000	9,641,535	3.39	-
2042	9,668,489	-	-	300,000	9,968,489	3.39	-
2043	10,006,886	-	-	300,000	10,306,886	3.39	-
2044	10,357,127	-	-	300,000	10,657,127	3.40	-
2045	10,719,626	-	-	300,000	11,019,626	3.40	-
2046	11,094,813	-	-	300,000	11,394,813	3.40	-
2047	11,483,132	-	-	300,000	11,783,132	3.41	-
2048	11,885,042	-	-	300,000	12,185,042	3.41	-
2049	12,301,018	-	-	300,000	12,601,018	3.41	-
2050	12,731,554	-	-	300,000	13,031,554	3.42	-

Source: Plymouth Contributory Retirement System Actuarial Valuation Report, PERAC.

For additional information regarding the Town's retirement system, please refer to Appendix A.

Other Post-Employment Benefits

In addition to pension benefits, cities and towns may provide retired employees with health care and life insurance benefits. The portion of the cost of such benefits paid by cities or towns is generally provided on a pay-as-you-go basis.

Fiscal Year	Benefit Costs
2021	\$ 19,306,442
2020	19,083,851
2019	19,153,288
2018	17,980,980
2017	17,363,363

The Governmental Accounting Standards Board ("GASB") promulgated its Statement Nos. 43 and 45, which require public sector entities to report the future costs of these non-pension, post-employment benefits in their financial statements. These accounting standards do not require pre-funding the payments of these costs as the liability for such costs accrued, but the basis applied by the standards for measurement of costs and liabilities for these benefits is conservative if they continue to be funded on a pay-as-you-go basis and will result in larger yearly cost and liability accruals than if such benefits were pre-funded in a trust fund in the same manner as traditional pension benefits. Although cities and towns that choose to self-insure all or a portion of the cost of the health care benefits they provide to employees and retirees may establish a trust fund for the purpose

of paying claims, Massachusetts General Laws do not currently provide cities and towns with general legal authority to establish a trust fund for the purpose of pre-funding this liability in the same manner as traditional pension benefits.

The Town hired KMS Actuaries of Manchester, New Hampshire to perform an actuarial valuation of its non-pension, post-employment benefit liability. The total unfunded actuarial accrued liability as of June 30, 2020 was \$987,558,677 (assuming a 2.21% discount rate). The Actuarially Determined Contribution ('ADC') for fiscal 2020 was \$55,546,616. The Town has established an OPEB Trust Fund to which it is currently making contributions. The balance in the OPEB Trust fund as of June 30, 2021 was \$8,619,502. The Town anticipates that when the Retirement System is fully funded in 2035, considerable resources will become available to dedicate to the unfunded OPEB liability.

EMPLOYEE RELATIONS

Town employees (other than managerial and confidential employees) are entitled to join unions and to bargain collectively on questions of wages, hours and other terms and conditions of employment.

The Town has approximately 1,891 employees, including those in the School Department, approximately 95 percent of whom belong to unions or other collective bargaining groups as show below:

Employee Category	Represented by	Number of Employees	Contract Expires
Town Employees:			
Administrative	OPEIU, Local 6	94	6/30/2024
Police Officers	Plymouth Police Brotherhood	93	6/30/2024
Police Superior Officers Association	Plymouth Police Superior Officers	21	6/30/2024
Police Dispatchers	MASSCOP AFL-CIO	8	6/30/2024
Public Works	COBRA	95	6/30/2024
Library Workers	COBRA	34	6/30/2024
Firefighters	AFL-CIO, Local 1768	132	6/30/2024
Clerical	SEIU, Local 888	43	6/30/2024
School Employees:			
Teachers	MTA/EAPC	787	6/30/2024
Administrators	MTA/School Administrators	25	6/30/2024
Secretaries	MTA/EAPC	55	6/30/2024
Head Custodians	COBRA	4	6/30/2024
Custodians	COBRA	68	6/30/2024
Craftsmen	COBRA	6	6/30/2024
Food Service - Educational	COBRA	50	6/30/2024
Support Personnel	MTA/EAPC	275	6/30/2024
Total		<u>1,790</u>	

LITIGATION

There are various cases pending in courts throughout the Commonwealth where the Town of Plymouth is a defendant. In the opinion of Town Counsel, no litigation is pending, or to his knowledge threatened, which is likely to result, either individually or in the aggregate, in final judgments against the Town that would materially affect its financial position.

TOWN OF PLYMOUTH, MASSACHUSETTS
/s/ Patricia Meachen, Treasurer

May 31, 2022

TOWN OF PLYMOUTH, MASSACHUSETTS

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

YEAR ENDED JUNE 30, 2021

TOWN OF PLYMOUTH, MASSACHUSETTS

REPORT ON EXAMINATION OF BASIC FINANCIAL STATEMENTS

JUNE 30, 2021

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Independent Auditor's Report

To the Honorable Select Board
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, the discretely presented component unit, and the aggregate remaining fund information of the Town of Plymouth, Massachusetts, as of and for the year ended June 30, 2021 (except for the Plymouth Contributory Retirement System and Plymouth Growth & Development Corporation, which are as of and for the year ended December 31, 2020), and the related notes to the financial statements, 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 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, 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, 2021 (except for the Plymouth Contributory Retirement System and the Plymouth Growth & Development Corporation which are as of and for the year ended December 31, 2020), 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 May 3, 2022, 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

May 3, 2022

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, 2021.

Overview of the Financial Statements

This discussion and analysis is 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, health and human services, culture and recreation, community preservation, and interest. The business-type activities include the water, sewer, airport, solid waste, and cable 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, solid waste, and cable access 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 proprietary 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.

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 and other postemployment 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 liabilities and deferred inflows exceeded assets and deferred outflows by \$516.3 million at the close of 2021.

Governmental net position of \$306.5 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 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, \$20.0 million, represents resources that are subject to external restrictions on how they may be used. The Town has a deficit of \$842.8 million of *unrestricted net position* at year end. The deficit is the result of the recognition of the net pension liability of \$152.5 million, and the other postemployment liability of \$922.1 million.

The governmental activities net position decreased by \$54.6 million in 2021. Contributing to the current year decrease is the recognition of a net increase in the other postemployment benefits liability and its associated deferred inflows/outflows of \$68.2 million, a net increase in the net pension liability and its associated deferred inflows/outflows of \$1.7 million. These decreases were offset by a general fund surplus of \$9.1 million and the receipt of \$7.7 million of capital grants.

Condensed financial data for 2021 and 2020 is presented below:

	2021	2020 (As revised)
Assets:		
Current assets.....	\$ 127,153,898	\$ 106,642,629
Capital assets, non depreciable.....	118,695,058	132,606,088
Capital assets, net of accumulated depreciation....	359,603,137	356,407,769
Total assets.....	605,452,093	595,656,486
Deferred outflows of resources.....	235,482,572	291,901,299
Liabilities:		
Current liabilities (excluding debt).....	17,270,016	12,883,983
Noncurrent liabilities (excluding debt).....	1,076,869,549	1,125,983,717
Current debt.....	12,379,152	27,807,269
Noncurrent debt.....	165,619,207	159,266,216
Total liabilities.....	1,272,137,924	1,325,941,185
Deferred inflows of resources.....	85,094,866	23,279,529
Net position:		
Net investment in capital assets.....	306,494,225	301,018,714
Restricted.....	20,024,010	17,821,588
Unrestricted.....	(842,816,360)	(780,503,231)
Total net position.....	\$ (516,298,125)	\$ (461,662,929)

	2021	2020 (As revised)
Program Revenues:		
Charges for services.....	\$ 15,526,708	\$ 13,095,348
Operating grants and contributions.....	84,033,866	72,429,834
Capital grants and contributions.....	7,680,239	4,833,291
General Revenues:		
Real estate and personal property taxes, net of tax refunds payable.....	188,642,337	181,737,794
Tax and other liens.....	663,265	567,186
Motor vehicle and other excise taxes.....	10,353,630	9,722,099
Community preservation tax.....	2,771,973	2,630,476
Penalties and interest on taxes.....	1,091,197	760,873
Payments in lieu of taxes.....	73,970	72,674
Grants and contributions not restricted to specific programs.....	8,548,261	8,029,556
Unrestricted investment income.....	2,188,091	2,327,471
Miscellaneous.....	9,880	4,813
Total revenues.....	321,583,417	296,211,415
Expenses:		
General government.....	23,483,625	19,799,848
Public safety.....	66,702,765	59,958,942
Education.....	245,194,147	219,118,673
Public works.....	24,809,690	19,861,145
Health and human services.....	3,166,944	3,306,762
Culture and recreation.....	5,512,507	6,391,802
Community preservation.....	1,867,146	327,338
Interest.....	4,743,035	5,974,599
Total expenses.....	375,479,859	334,739,109
Excess (Deficiency) before transfers.....	(53,896,442)	(38,527,694)
Transfers.....	(738,754)	(101,636)
Change in net position.....	(54,635,196)	(38,629,330)
Net position, beginning of year (as revised).....	(461,662,929)	(423,033,599)
Net position, end of year.....	\$ (516,298,125)	\$ (461,662,929)

Business-type Activities

Business-type assets and deferred outflows exceeded liabilities and deferred inflows by \$113.1 million at June 30, 2021. Net investment in capital assets was \$115.8 million. The remaining balance of *unrestricted* net position was in a deficit balance of \$2.7 million due to the recognition of liabilities associated with pension and other postemployment benefits.

There was an increase of \$5.7 million in net position reported in connection with the water, sewer, airport, solid waste, and cable access business-type activities.

Condensed financial data for 2021 and 2020 is presented below:

	2021	2020
Assets:		
Current assets.....	\$ 24,561,710	\$ 45,021,637
Noncurrent assets (excluding capital).....	180,937	351,656
Capital assets, non depreciable.....	42,210,923	45,790,462
Capital assets, net of accumulated depreciation....	128,798,572	121,324,914
Total assets.....	195,752,142	212,488,669
Deferred outflows of resources.....	5,142,153	6,596,803
Liabilities:		
Current liabilities (excluding debt).....	1,931,423	1,723,276
Noncurrent liabilities (excluding debt).....	26,127,140	27,132,352
Current debt.....	4,185,601	40,946,354
Noncurrent debt.....	53,501,037	41,204,618
Total liabilities.....	85,745,201	111,006,600
Deferred inflows of resources.....	2,036,896	686,890
Net position:		
Net investment in capital assets.....	115,816,559	109,419,840
Unrestricted.....	(2,704,361)	(2,027,858)
Total net position.....	\$ 113,112,198	\$ 107,391,982
Program Revenues:		
Charges for services.....	\$ 21,047,204	\$ 19,616,012
Operating grants and contributions.....	100,264	157,456
Capital grants and contributions.....	3,847,284	1,655,583
General Revenues:		
Unrestricted investment income.....	234,180	545,628
Total revenues.....	25,228,932	21,974,679
Expenses:		
Water.....	7,470,156	5,480,006
Sewer.....	6,713,029	5,088,142
Airport.....	3,564,584	3,415,203
Solid Waste.....	1,057,408	860,708
Cable access.....	1,442,293	1,089,873
Total expenses.....	20,247,470	15,933,932
Excess (Deficiency) before transfers and extraordinary items.....	4,981,462	6,040,747
Transfers.....	738,754	101,636
Extraordinary item - sewer main break settlement funds.....	-	22,825,000
Change in net position.....	5,720,216	28,967,383
Net position, beginning of year.....	107,391,982	78,424,599
Net position, end of year.....	\$ 113,112,198	\$ 107,391,982

The water enterprise net position increased by \$310,000 during the year. The change is attributable to an increase in overall operating costs and increases in both the accruals for the OPEB and pension liabilities, offset by a transfer in from other funds of \$709,000.

The sewer enterprise net position increased by \$2.7 million during the year. The change is attributable to user fee revenues exceeding budget by \$1.2 million offset by an increase in the accruals for OPEB and pension and an increase in operating costs and a transfer out to the water fund of \$221,000.

The airport enterprise net position increased by \$2.7 million during the year. The change is attributable to the receipt of capital grants of \$3.7 million related to the runway and new administration building projects, offset by depreciation on capital assets of \$1.2 million.

The solid waste enterprise net position decreased by \$37,000 during the year. The change is attributable to an increase in the accrual for the pension liability.

The cable access enterprise fund is funded through long term contracts with Verizon (15 years) and Comcast (10 years) to receive the fees charged for local government and educational access. The revenues of this fund will be distributed to help fund both the PACTV and the local ED-TV programs. The net position increased by \$11,000 during the year. The change is in line with expectations that the fund sets its fee structure to cover all operating and capital costs.

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 \$91.3 million, an increase of \$31.2 million in comparison with the prior year. This increase is primarily attributable to the general fund surplus of \$9.1 million, a surplus in the Community Preservation fund of \$2.2 million, and the issuance of long-term bonds of \$18.4 million along with their corresponding premiums of \$2.4 million.

The *general fund* is the chief operating fund. At the end of the year, unassigned fund balance of the general fund totaled \$48.6 million which is comprised of four components: a general fund balance of \$21.8 million and a stabilization fund balance of \$26.8 million (this includes the general stabilization fund balance of \$12.4 million, the Nuclear Plant Mitigation stabilization fund balance of \$8.5 million, the Pavement Management Plan Stabilization fund balance of \$3.4 million, and the Facility Capital stabilization fund of \$2.5 million). Assigned fund balance, which represents amounts designated for the 2021 budget as well as amounts that have been reserved for the use of liquidating prior period purchase orders and contracts totaled \$5.8 million. Committed fund balance, which represents the Town's various capital articles, totaled \$8.0 million. 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 17.9% of total general fund expenditures, while total fund balance equaled 23.0% of the same amount.

The current year general fund net change in fund balance was an increase of \$9.1 million. This is mainly due to a budgetary surplus of \$5.3 million and \$1.7 million in investment earnings related to the Town's stabilization funds which are reported as part of the general fund.

The *community preservation fund* is used to account for funds received in accordance with the Massachusetts Community Preservation Act (the “CPA”). At year end, the fund had an accumulated fund balance of \$4.1 million; this is an increase of \$2.2 million from the prior year. This is 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 balance of \$4.1 million, an increase of \$22.4 million. This is due to the timing of the expenditures on various projects related to the long-term financing of the projects. The Town issued \$17.4 million of bonds along with \$2.1 million of premiums to fund various public safety and public work construction and improvement projects in the current year.

The *internal service proprietary fund* provides for health insurance coverage for the Town’s employees. Results of operations reports an increase in net position of \$723,000 in 2021 and an accumulated net position of \$11.1 million. The increase is due to an operating surplus of \$661,000 and the investment income of \$62,000.

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 \$215.6 million. This represents an increase of \$17.4 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 \$19.8 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 2021, the fund reported \$526,000 of employer contributions and earned \$1.5 million in investment income resulting in accumulated net position of \$8.6 million at the end of the year.

General Fund Budgetary Highlights

The \$12.1 million increase between the original budget and the final amended budget was due to appropriation increases in appropriations across the board including 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.

During the fiscal year, the Town incurred \$10.3 million and \$8.1 million of capitalized governmental and enterprise expenditures, respectively, and recognized depreciation expense of \$21.1 million and \$4.2 million. The Town’s major capital projects relate to the fire station project, maritime facilities project, wetlands restoration, various school construction and renovation projects, equipment and vehicle purchases, and water main projects. These projects will continue through 2022, except the maritime facilities project that was completed in 2021.

Outstanding governmental long-term debt, as of June 30, 2021, totaled \$164.1 million, of which approximately \$70.2 million relates to various school construction projects, \$53.3 million relates to buildings, and \$1.8 million relates to departmental equipment, leaving a balance of approximately \$38.8 million for various municipal projects.

The sewer enterprise fund has \$14.1 million in general obligation bonds and \$25.1 million in direct borrowings. The water enterprise fund has \$18.1 million in general obligation bonds. The airport enterprise fund has \$350,000 in general obligation bonds. All of the borrowings are fully supported by the user fees.

During 2021, the Town issued \$20.1 million of long-term refunding debt in the form of bond proceeds with a \$4.1 million related premium to refinance \$24.2 million of outstanding bonds. The refunding resulted in an economic gain of \$6.1 million. The Town also issued \$34.4 million of new long-term bonds in which \$13.2 million was to finance the sewer force main emergency project and \$21.2 million was to finance the North Plymouth Fire Station, Maritime Facility, roadway improvements, and various water and sewer projects.

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, 26 Court Street, Plymouth, Massachusetts 02360.

Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Plymouth Growth & Development
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 84,374,976	\$ 19,005,881	\$ 103,380,857	\$ 1,947,066
Investments.....	25,557,475	-	25,557,475	-
Receivables, net of allowance for uncollectibles:				
Real estate and personal property taxes.....	2,022,321	-	2,022,321	-
Real estate tax escrow.....	-	-	-	17,873
Tax liens.....	540,129	20,783	560,912	-
Community preservation fund surtax.....	27,163	-	27,163	-
Motor vehicle and other excise taxes.....	1,239,274	-	1,239,274	-
User charges.....	-	3,922,623	3,922,623	-
Departmental and other.....	436,845	34,669	471,514	-
Intergovernmental.....	9,773,759	172,037	9,945,796	-
Community preservation state share.....	1,080,000	-	1,080,000	-
Special assessments.....	451,731	1,405,717	1,857,448	-
Parking tickets.....	-	-	-	110,390
Prepaid expenses.....	-	-	-	35,570
Tax foreclosures.....	1,623,225	-	1,623,225	-
Working capital deposit.....	27,000	-	27,000	-
Total current assets.....	127,153,898	24,561,710	151,715,608	2,110,899
NONCURRENT:				
Receivables, net of allowance for uncollectibles:				
Intergovernmental.....	-	180,937	180,937	-
Capital assets, nondepreciable.....	118,695,058	42,210,923	160,905,981	1,325,033
Capital assets, net of accumulated depreciation.....	359,603,137	128,798,572	488,401,709	1,897,650
Total noncurrent assets.....	478,298,195	171,190,432	649,488,627	3,222,683
TOTAL ASSETS.....	605,452,093	195,752,142	801,204,235	5,333,582
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows for refunding debt.....	559,859	-	559,859	-
Deferred outflows related to pensions.....	6,825,192	309,619	7,134,811	-
Deferred outflows related to other postemployment benefits.....	228,097,521	4,832,534	232,930,055	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	235,482,572	5,142,153	240,624,725	-
LIABILITIES				
CURRENT:				
Warrants payable.....	2,796,046	1,467,658	4,263,704	27,689
Accrued payroll.....	1,688,694	68,343	1,757,037	-
Payroll Liabilities.....	-	-	-	2,965
Health claims payable.....	2,565,000	-	2,565,000	-
Tax refunds payable.....	672,179	-	672,179	-
Accrued interest.....	960,894	267,372	1,228,266	-
Other liabilities.....	3,552,437	118,550	3,670,987	695
Unearned Revenue.....	4,761,766	-	4,761,766	-
Landfill closure.....	50,000	-	50,000	-
Compensated absences.....	223,000	9,500	232,500	2,442
Mortgage payable.....	-	-	-	38,932
Notes payable.....	71,150	-	71,150	-
Bonds payable.....	12,308,002	4,185,601	16,493,603	-
Total current liabilities.....	29,649,168	6,117,024	35,766,192	72,723
NONCURRENT:				
Landfill closure.....	350,000	-	350,000	-
Mortgage payable.....	-	-	-	1,625,516
Compensated absences.....	2,000,000	85,500	2,085,500	-
Net pension liability.....	152,456,482	6,916,054	159,372,536	-
Net other postemployment benefits.....	922,063,067	19,125,586	941,188,653	-
Bonds payable.....	165,619,207	53,501,037	219,120,244	-
Total noncurrent liabilities.....	1,242,488,756	79,628,177	1,322,116,933	1,625,516
TOTAL LIABILITIES.....	1,272,137,924	85,745,201	1,357,883,125	1,698,239
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions.....	9,680,455	439,146	10,119,601	-
Deferred inflows related to other postemployment benefits.....	75,414,411	1,597,750	77,012,161	-
TOTAL DEFERRED INFLOWS OF RESOURCES.....	85,094,866	2,036,896	87,131,762	-
NET POSITION				
Net investment in capital assets.....	306,494,225	115,816,559	422,310,784	1,558,235
Restricted for:				
Permanent funds:				
Expendable.....	1,610,813	-	1,610,813	-
Nonexpendable.....	1,698,044	-	1,698,044	-
Gifts and grants.....	11,535,730	-	11,535,730	-
Community preservation.....	5,179,423	-	5,179,423	-
Unrestricted.....	(842,816,360)	(2,704,361)	(845,520,721)	2,077,108
TOTAL NET POSITION.....	\$ (516,298,125)	\$ 113,112,198	\$ (403,185,927)	\$ 3,635,343

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

		Program Revenues				
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue	
Primary Government:						
<i>Governmental Activities:</i>						
General government.....	\$ 23,483,625	\$ 5,410,086	\$ 3,834,917	\$ -	\$ (14,238,622)	
Public safety.....	66,702,765	5,251,864	1,716,645	-	(59,734,256)	
Education.....	245,194,147	1,444,487	75,182,915	-	(168,566,745)	
Public works.....	24,809,690	1,678,853	2,493,188	6,067,490	(14,570,159)	
Health and human services.....	3,166,944	802,216	323,817	-	(2,040,911)	
Culture and recreation.....	5,512,507	939,202	472,987	-	(4,100,318)	
Community preservation.....	1,867,146	-	-	1,612,749	(254,397)	
Interest.....	4,743,035	-	9,397	-	(4,733,638)	
Total Governmental Activities.....	375,479,859	15,526,708	84,033,866	7,680,239	(268,239,046)	
<i>Business-Type Activities:</i>						
Water.....	7,470,156	7,021,710	1,123	-	(447,323)	
Sewer.....	6,713,029	9,351,753	99,141	-	2,737,865	
Airport.....	3,564,584	2,169,955	-	3,847,284	2,452,655	
Trash.....	1,057,408	1,050,502	-	-	(6,906)	
Cable.....	1,442,293	1,453,284	-	-	10,991	
Total Business-Type Activities.....	20,247,470	21,047,204	100,264	3,847,284	4,747,282	
Total Primary Government.....	\$ 395,727,329	\$ 36,573,912	\$ 84,134,130	\$ 11,527,523	\$ (263,491,764)	
Component Units:						
Plymouth Growth & Development.....	\$ 1,148,092	\$ 1,268,592	\$ -	\$ -	\$ 120,500	

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Plymouth Growth & Development
Changes in net position:				
Net (expense) revenue from previous page.....	\$ (268,239,046)	\$ 4,747,282	\$ (263,491,764)	\$ 120,500
<i>General revenues:</i>				
Real estate and personal property taxes, net of tax refunds payable.....	188,642,337	-	188,642,337	-
Tax and other liens.....	663,265	-	663,265	-
Motor vehicle and other excise taxes.....	10,353,630	-	10,353,630	-
Community preservation tax.....	2,771,973	-	2,771,973	-
Penalties and interest on taxes.....	1,091,197	-	1,091,197	-
Payments in lieu of taxes.....	73,970	-	73,970	-
Grants and contributions not restricted to specific programs.....	8,548,261	-	8,548,261	-
Unrestricted investment income.....	2,188,091	234,180	2,422,271	13,594
Miscellaneous.....	9,880	-	9,880	-
<i>Transfers, net</i>	(738,754)	738,754	-	-
Total general revenues and transfers.....	213,603,850	972,934	214,576,784	13,594
Change in net position.....	(54,635,196)	5,720,216	(48,914,980)	134,094
<i>Net position:</i>				
Beginning of year, as revised.....	(461,662,929)	107,391,982	(354,270,947)	3,501,249
End of year.....	\$ (516,298,125)	\$ 113,112,198	\$ (403,185,927)	\$ 3,635,343

(Concluded)

See notes to basic financial statements.

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2021

	General	Community Preservation	Town Building/ Land Capital	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents.....	\$ 42,164,157	\$ 4,069,273	\$ 4,146,711	\$ 19,678,454	\$ 70,058,595
Investments.....	23,612,374	-	-	1,945,101	25,557,475
Receivables, net of uncollectibles:					
Real estate and personal property taxes.....	2,022,321	-	-	-	2,022,321
Tax liens.....	533,084	7,045	-	-	540,129
Community preservation fund surtax.....	-	27,163	-	-	27,163
Motor vehicle and other excise taxes.....	1,239,274	-	-	-	1,239,274
Departmental and other.....	52,847	-	-	-	52,847
Intergovernmental.....	-	-	-	9,773,759	9,773,759
Community preservation state share.....	-	1,080,000	-	-	1,080,000
Special assessments.....	-	-	-	451,731	451,731
Tax foreclosures.....	1,623,225	-	-	-	1,623,225
TOTAL ASSETS.....	\$ 71,247,282	\$ 5,183,481	\$ 4,146,711	\$ 31,849,045	\$ 112,426,519
LIABILITIES					
Warrants payable.....	\$ 2,158,467	\$ 4,058	\$ 55,481	\$ 578,040	\$ 2,796,046
Accrued payroll.....	1,602,927	-	-	121,957	1,724,884
Tax refunds payable.....	672,179	-	-	-	672,179
Other liabilities.....	92,932	-	-	2,312,941	2,405,873
Unearned Revenue.....	-	-	-	4,761,766	4,761,766
Notes payable.....	-	-	-	71,150	71,150
TOTAL LIABILITIES.....	4,526,505	4,058	55,481	7,845,854	12,431,898
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue.....	4,270,358	1,114,207	-	3,351,021	8,735,586
FUND BALANCES					
Nonspendable.....	-	-	-	1,698,044	1,698,044
Restricted.....	-	4,065,216	4,091,230	19,242,969	27,399,415
Committed.....	8,047,179	-	-	-	8,047,179
Assigned.....	5,812,969	-	-	-	5,812,969
Unassigned.....	48,590,271	-	-	(288,843)	48,301,428
TOTAL FUND BALANCES.....	62,450,419	4,065,216	4,091,230	20,652,170	91,259,035
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 71,247,282	\$ 5,183,481	\$ 4,146,711	\$ 31,849,045	\$ 112,426,519

See notes to basic financial statements.

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

JUNE 30, 2021

Total governmental fund balances.....	\$ 91,259,035
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	478,298,195
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....	8,735,586
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not reported.....	150,387,706
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....	11,052,005
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(960,894)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable.....	(177,927,209)
Net pension liability.....	(152,456,482)
Other postemployment benefits.....	(922,063,067)
Landfill closure.....	(400,000)
Compensated absences.....	(2,223,000)
Net effect of reporting long-term liabilities.....	(1,255,069,758)
Net position of governmental activities.....	\$ <u>(516,298,125)</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2021

	General	Community Preservation	Town Building/ Land Capital	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 189,227,751	\$ -	\$ -	\$ -	\$ 189,227,751
Tax liens.....	554,262	-	-	-	554,262
Motor vehicle and other excise taxes.....	10,299,337	-	-	-	10,299,337
Charges for services.....	59,944	-	-	10,150	70,094
Penalties and interest on taxes.....	1,091,197	-	-	-	1,091,197
Payments in lieu of taxes.....	73,970	-	-	-	73,970
Intergovernmental - federal.....	371,321	-	-	17,709,650	18,080,971
Intergovernmental - state aid.....	34,213,227	400,000	5,693,063	6,037,595	46,343,885
Intergovernmental - Teachers Retirement.....	29,659,981	-	-	-	29,659,981
Departmental and other.....	9,766,575	-	-	7,000,501	16,767,076
Community preservation taxes.....	-	2,771,973	-	-	2,771,973
Community preservation state match.....	-	757,224	-	-	757,224
Contributions and donations.....	-	-	-	2,694,742	2,694,742
Investment income.....	1,927,080	29,722	-	169,401	2,126,203
TOTAL REVENUES.....	277,244,645	3,958,919	5,693,063	33,622,039	320,518,666
EXPENDITURES:					
Current:					
General government.....	8,402,168	-	89,734	4,138,834	12,630,736
Public safety.....	29,450,903	-	1,459,643	2,958,221	33,868,767
Education.....	101,594,035	-	-	18,240,402	119,834,437
Public works.....	12,299,159	-	2,737,593	4,036,158	19,072,910
Health and human services.....	1,478,748	-	-	322,522	1,801,270
Culture and recreation.....	2,524,196	-	-	844,180	3,368,376
Community preservation.....	-	2,656,581	-	-	2,656,581
Pension benefits.....	14,782,101	-	-	-	14,782,101
Pension benefits - Teachers Retirement.....	29,659,981	-	-	-	29,659,981
Employee benefits.....	44,250,925	-	-	-	44,250,925
State and county charges.....	9,745,247	-	-	-	9,745,247
Debt service:					
Principal.....	9,552,358	-	-	-	9,552,358
Principal payment on current refunding.....	1,177,590	-	-	-	1,177,590
Interest.....	6,870,999	28,839	-	-	6,899,838
TOTAL EXPENDITURES.....	271,788,410	2,685,420	4,286,970	30,540,317	309,301,117
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	5,456,235	1,273,499	1,406,093	3,081,722	11,217,549
OTHER FINANCING SOURCES (USES):					
Issuance of bonds.....	-	815,466	17,389,472	200,000	18,404,938
Issuance of refunding bonds.....	19,190,074	-	-	-	19,190,074
Premium from issuance of bonds and notes.....	-	29,000	2,138,068	191,098	2,358,166
Premium from issuance of refunding bonds.....	3,017,142	-	-	-	3,017,142
Payments to refunded bond escrow agent.....	(22,207,216)	-	-	-	(22,207,216)
Transfers in.....	3,982,553	89,011	1,428,390	14,589	5,514,543
Transfers out.....	(339,113)	-	(5,308)	(5,908,876)	(6,253,297)
TOTAL OTHER FINANCING SOURCES (USES).....	3,643,440	933,477	20,950,622	(5,503,189)	20,024,350
NET CHANGE IN FUND BALANCES.....	9,099,675	2,206,976	22,356,715	(2,421,467)	31,241,899
FUND BALANCES AT BEGINNING OF YEAR, AS REVISED.....	53,350,744	1,858,240	(18,265,485)	23,073,637	60,017,136
FUND BALANCES AT END OF YEAR.....	\$ 62,450,419	\$ 4,065,216	\$ 4,091,230	\$ 20,652,170	\$ 91,259,035

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, 2021

Net change in fund balances - total governmental funds.....		\$ 31,241,899
<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.....	10,347,755	
Depreciation expense.....	<u>(21,063,417)</u>	
Net effect of reporting capital assets.....		(10,715,662)
<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 differ between the two statements. This amount represents the net change in unavailable revenue.....</p>		
		1,002,863
<p>The issuance of long-term debt 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 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 unavailable and amortized in the Statement of Activities.</p>		
Principal payments on capital leases.....	625,492	
Issuance of bonds.....	(18,404,938)	
Issuance of refunding bonds.....	(19,190,074)	
Premium from issuance of bonds.....	(2,358,166)	
Premium from issuance of refunding bonds.....	(3,017,142)	
Deferred loss on refunding.....	(234,806)	
Payments to refunded bond escrow agent.....	22,207,216	
Net amortization of premium from issuance of bonds.....	2,365,088	
Net change in deferred charge on refunding.....	(72,699)	
Principal payment on current refunding.....	1,177,590	
Debt service principal payments.....	<u>9,552,358</u>	
Net effect of reporting long-term debt.....		(7,350,081)
<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.....	159,000	
Net change in accrued interest on long-term debt.....	61,261	
Net change in deferred outflow/(inflow) of resources related to pensions.....	(5,003,740)	
Net change in net pension liability.....	3,346,969	
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits....	(113,157,625)	
Net change in other postemployment benefits liability.....	45,007,007	
Net change in landfill closure.....	<u>50,000</u>	
Net effect of recording long-term liabilities.....		<u>(69,537,128)</u>
The net activity of internal service funds is reported with Governmental Activities.....		<u>722,913</u>
Change in net position of governmental activities.....		<u>\$ (54,635,196)</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2021

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Fund
	Water	Sewer	Airport	Solid Waste	Cable Access	Total	
ASSETS							
CURRENT:							
Cash and cash equivalents.....	\$ 8,100,701	\$ 8,694,298	\$ 450,718	\$ 1,685,299	\$ 74,865	\$ 19,005,881	\$ 14,316,381
Receivables, net of allowance for uncollectibles:							
Liens - user charges.....	149	20,634	-	-	-	20,783	-
User charges.....	1,830,492	2,092,131	-	-	-	3,922,623	-
Departmental and other.....	-	-	-	34,669	-	34,669	383,998
Intergovernmental.....	-	172,037	-	-	-	172,037	-
Special assessments.....	8,774	1,396,943	-	-	-	1,405,717	-
Working capital deposit.....	-	-	-	-	-	-	27,000
	<u>9,940,116</u>	<u>12,376,043</u>	<u>450,718</u>	<u>1,719,968</u>	<u>74,865</u>	<u>24,561,710</u>	<u>14,727,379</u>
Total current assets.....							
NONCURRENT:							
Receivables, net of allowance for uncollectibles:							
Intergovernmental.....	-	180,937	-	-	-	180,937	-
Capital assets, non depreciable.....	18,873,516	12,499,342	10,838,065	-	-	42,210,923	-
Capital assets, net of accumulated depreciation.....	<u>32,266,606</u>	<u>78,338,265</u>	<u>17,579,766</u>	<u>613,935</u>	<u>-</u>	<u>128,798,572</u>	<u>-</u>
	<u>51,140,122</u>	<u>91,018,544</u>	<u>28,417,831</u>	<u>613,935</u>	<u>-</u>	<u>171,190,432</u>	<u>-</u>
Total noncurrent assets.....							
TOTAL ASSETS.....	<u>61,080,238</u>	<u>103,394,587</u>	<u>28,868,549</u>	<u>2,333,903</u>	<u>74,865</u>	<u>195,752,142</u>	<u>14,727,379</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows related to pensions.....	161,065	44,827	74,538	29,189	-	309,619	-
Deferred outflows related to other postemployment benefits.....	<u>3,339,025</u>	<u>388,132</u>	<u>640,232</u>	<u>465,145</u>	<u>-</u>	<u>4,832,534</u>	<u>-</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>3,500,090</u>	<u>432,959</u>	<u>714,770</u>	<u>494,334</u>	<u>-</u>	<u>5,142,153</u>	<u>-</u>
LIABILITIES							
CURRENT:							
Warrants payable.....	125,591	891,769	404,524	45,774	-	1,467,658	-
Accrued payroll.....	35,301	8,611	16,456	7,975	-	68,343	-
Health claims payable.....	-	-	-	-	-	-	2,565,000
Accrued interest.....	89,284	175,438	2,650	-	-	267,372	-
Other liabilities.....	-	-	-	118,550	-	118,550	1,110,374
Compensated absences.....	4,100	500	3,400	1,500	-	9,500	-
Bonds payable.....	<u>1,807,907</u>	<u>2,352,694</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>4,185,601</u>	<u>-</u>
	<u>2,062,183</u>	<u>3,429,012</u>	<u>452,030</u>	<u>173,799</u>	<u>-</u>	<u>6,117,024</u>	<u>3,675,374</u>
Total current liabilities.....							
NONCURRENT:							
Compensated absences.....	36,900	4,500	30,600	13,500	-	85,500	-
Net pension liability.....	3,597,750	1,001,315	1,664,974	652,015	-	6,916,054	-
Net other postemployment benefits.....	13,217,521	1,622,027	2,591,393	1,694,645	-	19,125,586	-
Bonds payable.....	<u>16,334,718</u>	<u>36,841,319</u>	<u>325,000</u>	<u>-</u>	<u>-</u>	<u>53,501,037</u>	<u>-</u>
	<u>33,186,889</u>	<u>39,469,161</u>	<u>4,611,967</u>	<u>2,360,160</u>	<u>-</u>	<u>79,628,177</u>	<u>-</u>
Total noncurrent liabilities.....							
TOTAL LIABILITIES.....	<u>35,249,072</u>	<u>42,898,173</u>	<u>5,063,997</u>	<u>2,533,959</u>	<u>-</u>	<u>85,745,201</u>	<u>3,675,374</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows related to pensions.....	228,445	63,580	105,720	41,401	-	439,146	-
Deferred inflows related to other postemployment benefits.....	<u>1,103,960</u>	<u>128,326</u>	<u>211,676</u>	<u>153,788</u>	<u>-</u>	<u>1,597,750</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES.....	<u>1,332,405</u>	<u>191,906</u>	<u>317,396</u>	<u>195,189</u>	<u>-</u>	<u>2,036,896</u>	<u>-</u>
NET POSITION							
Net investment in capital assets.....	34,998,306	52,136,487	28,067,831	613,935	-	115,816,559	-
Unrestricted.....	<u>(6,999,455)</u>	<u>8,600,980</u>	<u>(3,865,905)</u>	<u>(514,846)</u>	<u>74,865</u>	<u>(2,704,361)</u>	<u>11,052,005</u>
TOTAL NET POSITION.....	<u>\$ 27,998,851</u>	<u>\$ 60,737,467</u>	<u>\$ 24,201,926</u>	<u>\$ 99,089</u>	<u>\$ 74,865</u>	<u>\$ 113,112,198</u>	<u>\$ 11,052,005</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2021

Business-type Activities - Enterprise Funds								Governmental Activities - Internal Service Fund
	Water	Sewer	Airport	Solid Waste	Cable Access	Total		
OPERATING REVENUES:								
Employee contributions.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	9,717,094
Employer contributions.....	-	-	-	-	-	-	-	36,286,423
Charges for services.....	7,005,728	9,312,598	1,782,607	1,015,377	1,452,984	20,569,294	-	-
Rentals.....	-	-	385,040	-	-	385,040	-	-
Other operating revenues.....	15,982	74,280	2,308	-	300	92,870	-	397,693
TOTAL OPERATING REVENUES	7,021,710	9,386,878	2,169,955	1,015,377	1,453,284	21,047,204		46,401,210
OPERATING EXPENSES:								
Cost of services and administration.....	4,216,587	4,387,820	1,820,630	732,814	1,442,293	12,600,144	-	-
Salaries and wages.....	1,158,657	237,740	530,638	228,439	-	2,155,474	-	-
Depreciation.....	1,592,773	1,283,995	1,196,374	96,155	-	4,169,297	-	-
Employee benefits.....	-	-	-	-	-	-	-	45,740,185
TOTAL OPERATING EXPENSES.....	6,968,017	5,909,555	3,547,642	1,057,408	1,442,293	18,924,915		45,740,185
OPERATING INCOME (LOSS).....	53,693	3,477,323	(1,377,687)	(42,031)	10,991	2,122,289		661,025
NONOPERATING REVENUES (EXPENSES):								
Investment income.....	47,734	180,865	553	5,028	-	234,180	-	61,888
Interest expense.....	(502,139)	(803,474)	(16,942)	-	-	(1,322,555)	-	-
Intergovernmental - state.....	1,123	99,141	183,912	-	-	284,176	-	-
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(453,282)	(523,468)	167,523	5,028	-	(804,199)		61,888
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS.....	(399,589)	2,953,855	(1,210,164)	(37,003)	10,991	1,318,090		722,913
CAPITAL CONTRIBUTIONS.....	-	-	3,663,372	-	-	3,663,372		-
TRANSFERS:								
Transfers in.....	709,196	6,636	243,571	-	-	959,403	-	-
Transfers out.....	-	(220,649)	-	-	-	(220,649)	-	-
TOTAL TRANSFERS.....	709,196	(214,013)	243,571	-	-	738,754		-
CHANGE IN NET POSITION.....	309,607	2,739,842	2,696,779	(37,003)	10,991	5,720,216		722,913
NET POSITION AT BEGINNING OF YEAR.....	27,689,244	57,997,625	21,505,147	136,092	63,874	107,391,982		10,329,092
NET POSITION AT END OF YEAR.....	\$ 27,998,851	\$ 60,737,467	\$ 24,201,926	\$ 99,089	\$ 74,865	\$ 113,112,198		\$ 11,052,005

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Fund
	Water	Sewer	Airport	Solid Waste	Cable Access	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipts from customers and users.....	\$ 7,157,719	\$ 10,023,456	\$ 2,169,955	\$ 1,015,377	\$ 1,453,284	\$ 21,819,791	\$ -
Receipts from interfund services provided.....	-	-	-	-	-	-	46,978,258
Payments to vendors.....	(2,996,380)	(4,021,942)	(1,544,627)	(623,694)	(1,442,293)	(10,628,936)	-
Payments to employees.....	(1,151,598)	(239,039)	(525,568)	(220,060)	-	(2,136,265)	-
Payments for interfund services used.....	-	-	-	-	-	-	(42,340,695)
NET CASH FROM OPERATING ACTIVITIES.....	3,009,741	5,762,475	99,760	171,623	10,991	9,054,590	4,637,563
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Transfers in.....	709,196	6,636	243,571	-	-	959,403	-
Transfers out.....	-	(220,649)	-	-	-	(220,649)	-
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....	709,196	(214,013)	243,571	-	-	738,754	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Proceeds from the issuance of bonds and notes.....	1,455,000	15,698,593	-	-	-	17,153,593	-
Premium from the issuance of bonds.....	292,131	147,311	-	-	-	439,442	-
Capital contributions.....	4,032	101,334	3,847,284	-	-	3,952,650	-
Acquisition and construction of capital assets.....	(1,778,791)	(2,096,330)	(3,922,551)	(217,520)	-	(8,015,192)	-
Principal payments on bonds and notes.....	(1,645,355)	(40,063,853)	(25,000)	-	-	(41,734,208)	-
Interest expense.....	(711,303)	(822,669)	(17,149)	-	-	(1,551,121)	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(2,384,286)	(27,035,614)	(117,416)	(217,520)	-	(29,754,836)	-
CASH FLOWS FROM INVESTING ACTIVITIES:							
Investment income.....	47,734	180,865	553	5,028	-	234,180	61,888
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	1,382,385	(21,306,287)	226,468	(40,869)	10,991	(19,727,312)	4,699,451
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	6,718,316	30,000,585	224,250	1,726,168	63,874	38,733,193	9,616,930
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 8,100,701	\$ 8,694,298	\$ 450,718	\$ 1,685,299	\$ 74,865	\$ 19,005,881	\$ 14,316,381
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH							
FROM OPERATING ACTIVITIES:							
Operating income (loss).....	\$ 53,693	\$ 3,477,323	\$ (1,377,687)	\$ (42,031)	\$ 10,991	\$ 2,122,289	\$ 661,025
Adjustments to reconcile operating income to net cash from operating activities:							
Depreciation.....	1,592,773	1,283,995	1,196,374	96,155	-	4,169,297	-
Deferred (outflows)/inflows related to pensions.....	113,032	32,355	53,696	20,967	-	220,050	-
Deferred (outflows)/inflows related to other postemployment benefits.....	1,773,478	219,876	324,799	266,453	-	2,584,606	-
Changes in assets and liabilities:							
User charges.....	119,687	(143,769)	-	-	-	(24,082)	-
Departmental and other.....	-	-	-	21,750	-	21,750	577,048
Intergovernmental.....	16,322	780,347	-	-	-	796,669	-
Other assets.....	3,630	-	-	-	-	3,630	-
Prepaid expenses.....	-	-	-	-	-	-	2,153,116
Warrants payable.....	(18,047)	122,262	(11,822)	5,011	-	97,404	-
Accrued payroll.....	8,059	1,701	2,070	379	-	12,209	-
Health claims payable.....	-	-	-	-	-	-	136,000
Other liabilities.....	-	-	-	55,280	-	55,280	1,110,374
Compensated absences.....	(1,000)	(3,000)	3,000	8,000	-	7,000	-
Net pension liability.....	287,133	14,929	32,343	17,100	-	351,505	-
Other postemployment benefits.....	(939,019)	(23,544)	(123,013)	(277,441)	-	(1,363,017)	-
Total adjustments.....	2,956,048	2,285,152	1,477,447	213,654	-	6,932,301	3,976,538
NET CASH FROM OPERATING ACTIVITIES.....	\$ 3,009,741	\$ 5,762,475	\$ 99,760	\$ 171,623	\$ 10,991	\$ 9,054,590	\$ 4,637,563
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:							
Issuance of refunding bonds.....	\$ 547,750	\$ 336,500	\$ -	\$ -	\$ -	\$ 884,250	\$ -
Long-term bonds refunded.....	(650,000)	(400,000)	-	-	-	(1,050,000)	-
Refunding premium.....	113,216	70,174	-	-	-	183,390	-
Principal and interest intergovernmental subsidies.....	(17,251)	(875,108)	-	-	-	(892,359)	-

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2021

	Pension and Other Employee Benefit Trust Funds	Private Purpose Trust Funds
ASSETS		
Cash and cash equivalents.....	\$ 2,531,782	\$ 276,985
Investments:		
Investments in Pension Reserve Investment Trust.....	3,251,231	-
Equity securities.....	58,040,999	-
Equity mutual funds.....	70,011,094	-
Fixed income mutual funds.....	40,030,676	-
Alternative Investments.....	50,434,575	-
Other investments.....	-	2,877,018
Receivables, net of allowance for uncollectibles:		
Departmental and other.....	11,746	-
Other assets.....	32,395	-
TOTAL ASSETS.....	224,344,498	3,154,003
LIABILITIES		
Warrants payable.....	109,264	-
NET POSITION		
Restricted for pensions.....	215,615,732	-
Restricted for other postemployment benefits.....	8,619,502	-
Held in trust for other purposes.....	-	3,154,003
TOTAL NET POSITION.....	\$ 224,235,234	\$ 3,154,003

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2021

	Pension and Other Employee Benefit Trust Funds	Private Purpose Trust Funds
ADDITIONS:		
Contributions:		
Employer contributions.....	\$ 16,338,871	\$ -
Employer contributions for other postemployment benefit payments....	19,306,442	-
Member contributions.....	5,124,608	-
Retirement benefits - transfers from other systems.....	47,224	-
Retirement benefits - 3(8)c contributions from other systems.....	392,377	-
Retirement benefits - federal grant reimbursements.....	10,124	-
Retirement benefits - state COLA reimbursements.....	116,023	-
Retirement benefits - member makeup payments and redeposits.....	55,957	-
Retirement benefits - interest not refunded.....	7,755	-
Private donations.....	-	51,950
Miscellaneous.....	65,131	-
	<u>41,464,512</u>	<u>51,950</u>
Total contributions.....		
Net investment income:		
Net change in fair value of investments.....	11,944,951	-
Investment income.....	9,352,122	216,791
Less: investment expense.....	(1,100,719)	-
	<u>20,196,354</u>	<u>216,791</u>
Net investment income (loss).....		
	<u>61,660,866</u>	<u>268,741</u>
TOTAL ADDITIONS.....		
DEDUCTIONS:		
Administration.....	753,628	-
Retirement benefits - transfers to other systems.....	476,408	-
Retirement benefits - 3(8)c transfer to other systems.....	673,651	-
Retirement benefits and refunds.....	20,994,851	-
Other postemployment benefit payments.....	19,306,442	-
Educational scholarships.....	-	55,000
	<u>42,204,980</u>	<u>55,000</u>
TOTAL DEDUCTIONS.....		
NET INCREASE (DECREASE) IN NET POSITION.....	19,455,886	213,741
NET POSITION AT BEGINNING OF YEAR.....	<u>204,779,348</u>	<u>2,940,262</u>
NET POSITION AT END OF YEAR.....	<u>\$ 224,235,234</u>	<u>\$ 3,154,003</u>

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 the 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 Select Board. The seven-member Board of Directors is appointed by the Select Board.

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 40 Court Street, Floor 1 Unit 1, 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 statement of activities) 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. Nonmajor 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, solid waste, and cable access 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 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 non-operating 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.

The *cable access enterprise fund* is used to account for the Town's cable access 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 and other employee benefit 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 and of the OPEB (other postemployment benefits) trust which accumulates resources to provide funding for future OPEB 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 allow the trustees to authorize spending of the realized investment earnings. The Town's educational scholarship trusts are accounted for in this fund.

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. Fair Value Measurements

The Town reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, U.S. government obligations, and mutual funds with quoted market prices in active markets.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Town's financial instruments, see Note 3 – Cash and Investments.

F. 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 for 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.

G. 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.

H. 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.

I. Deferred Outflows/Inflows of Resources*Government-Wide Financial Statements (Net Position)*

In addition to assets, the statement of net 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, deferred outflows related to pensions and other postemployment benefits in this category.

In addition to liabilities, the statement of net 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 reported deferred inflows related to pensions and other postemployment benefits 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.

J. 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.

K. 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.

L. 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.

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

Net position is reported as restricted when amounts 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 allow 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.

“Community Preservation” represents financial resources raised through the tax levy to fund Community Preservation related projects.

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 Select Board 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.

N. 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 Teacher’s Retirement System and additions to/deductions from the Systems’ fiduciary net positions 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.

O. 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.

P. 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.

Q. 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.

R. 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.

S. Individual Fund Deficits

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

T. 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 2021 was \$190,395,743, which was \$5,744,209 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 \$97,577,044 and the bank balance totaled \$101,332,983. Of the bank balance, \$2,235,773 was covered by Federal Depository Insurance, \$56,003,752 was covered by the Depositors Insurance Fund, \$8,995,913 was collateralized, and \$34,097,545 was uninsured and uncollateralized.

At December 31, 2021, the carrying amount of deposits for the System totaled \$746,118 and the bank balance totaled \$915,793 all of which was covered by Federal Depository Insurance.

At December 31, 2021, the carrying amount of deposits for the component unit totaled \$1,947,066 and the bank balance totaled \$1,950,552. Of the bank balance, \$500,000 was covered by Federal Depository Insurance or collateralization, and \$1,450,552 was uninsured and uncollateralized.

Investments

As of June 30, 2021, the Town of Plymouth had the following investments:

Investment Type	Fair value	Maturities		
		Under 1 Year	1-5 Years	6-10 Years
Debt securities:				
U.S. treasury bonds.....	\$ 6,979,784	\$ 1,386,475	\$ 3,539,655	\$ 2,053,654
Government sponsored enterprises.....	3,345,055	823,135	2,266,145	255,775
Corporate bonds.....	4,683,698	503,180	3,869,384	311,134
Fixed income mutual funds.....	7,308,997	-	-	7,308,997
Total debt securities.....	22,317,534	\$ 2,712,790	\$ 9,675,184	\$ 9,929,560
Other investments:				
Equity securities.....	9,096,004			
Equity mutual funds.....	5,640,457			
MMDT - Cash portfolio.....	6,080,798			
Total investments.....	\$ 43,134,793			

As of December 31, 2020, the Retirement System had the following investments:

		<u>Maturities</u>
<u>Investment Type</u>	<u>Fair value</u>	<u>6-10 Years</u>
<u>Debt securities:</u>		
Bond mutual funds.....	\$ 37,051,631	\$ 37,051,631
<u>Other investments:</u>		
Equity securities.....	46,415,435	
Equity mutual funds.....	70,011,094	
Real estate investment trust.....	20,663,905	
International securities.....	5,985,107	
Money market mutual funds.....	1,785,664	
Alternative Investment Mutual Funds.....	29,770,670	
Pension Reserve Investment Trust (PRIT).....	3,251,231	
Total investments.....	\$ 214,934,737	

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. The Town has a custodial credit risk exposure of \$17,124,757 because the related debt and equity 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, 2021, the Town's investments in U.S. Treasury Bonds and Government Sponsored Enterprises are rated AA+, Corporate Bonds are rated AAA, A+, A, A-, BBB+, and BBB based on Standard and Poor's Ratings, and the fixed income mutual funds are AA+. The equity securities, equity mutual funds, 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 December 31, 2020, the System has Bond Mutual Funds rated Aaa.

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, 2021.

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, 2021.

Fair Value of Investments

The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Town's mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town chooses a tabular format for disclosing the levels within the fair value hierarchy.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Town has the following recurring fair value measurements as of June 30, 2021:

Investment Type	June 30, 2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
<u>Debt securities:</u>				
U.S. treasury bonds.....	\$ 6,979,784	\$ 6,979,784	\$ -	\$ -
Government sponsored enterprises.....	3,345,055	3,345,055	-	-
Corporate bonds.....	4,683,698	-	4,683,698	-
Fixed income mutual funds.....	7,308,997	7,308,997	-	-
Total debt securities.....	22,317,534	17,633,836	4,683,698	-
<u>Other investments:</u>				
Equity securities.....	9,096,004	9,096,004	-	-
Equity mutual funds.....	5,640,457	5,640,457	-	-
Total other investments.....	14,736,461	14,736,461	-	-
Total investments measured at fair value.....	37,053,995	\$ 32,370,297	\$ 4,683,698	\$ -
Investments measured at amortized cost:				
MMDT - Cash portfolio.....	6,080,798			
Total investments.....	\$ 43,134,793			

U.S. Treasury bonds, Government sponsored enterprises, equity securities, equity mutual funds, and fixed income mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Corporate bonds are classified in Level 2 of the fair value hierarchy, each valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

MMDT investments are valued at amortized cost. Under the amortized cost method, an investment is valued initially at its cost and adjusted for the amount of interest income accrued each day over the term of the investment to account for any difference between the initial cost and the amount payable at its maturity. If amortized cost is determined not to approximate fair value, the value of the portfolio securities will be determined under procedures established by the Advisor.

Retirement System

The retiree pension defined benefit plan holds significant amounts of investments that are measured at fair value on a recurring basis. Because investing is a key part of the plan's activities, the plan shows greater disaggregation in its disclosures. The plan chooses a tabular format for disclosing the levels within the fair value hierarchy.

The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The System has the following recurring fair value measurements as of December 31, 2020:

Investment Type	December 31, 2020	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
<u>Debt securities:</u>				
Bond mutual funds.....	\$ 37,051,631	\$ 37,051,631	\$ -	\$ -
<u>Other investments:</u>				
Equity securities.....	46,415,435	46,415,435	-	-
Equity mutual funds.....	70,011,094	70,011,094	-	-
Real estate investment trust.....	20,663,905	-	-	20,663,905
International securities.....	5,985,107	5,985,107	-	-
Money market mutual funds.....	1,785,664	1,785,664	-	-
Alternative investment mutual funds.....	29,770,670	-	-	29,770,670
Total other investments.....	174,631,875	124,197,300	-	50,434,575
Total investments measured at fair value.....	211,683,506	\$ 161,248,931	\$ -	\$ 50,434,575
Investments measured at net asset value:				
Pension Reserve Investment Trust (PRIT).....	3,251,231			
Total investments.....	\$ 214,934,737			

Bond mutual funds, equity securities, equity mutual funds, money market mutual funds and international securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Real estate investment trusts and alternative investment mutual funds classified in level 3 are valued using either a discounted cash flow or market comparable companies technique.

PRIT Investments are valued using the net asset value (NAV) method. This investment pool was established by the Treasurer of the Commonwealth of Massachusetts, who serves as Trustee. PRIT is administered by the Pension Reserves Investment Management Board (PRIM). The fair values of the positions in each investment Pool are the same as the value of each Pool's shares. The System does not have the ability to control any of the investment decisions relative to its funds in PRIT.

NOTE 4 – RECEIVABLES

At June 30, 2021, receivables for the individual major governmental funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes.... \$	2,253,254	\$ (230,933)	\$ 2,022,321
Tax liens.....	540,129	-	540,129
Community preservation fund surtax.....	27,163	-	27,163
Motor vehicle and other excise taxes.....	2,419,107	(1,179,833)	1,239,274
Departmental and other.....	436,845	-	436,845
Intergovernmental - other.....	9,773,759	-	9,773,759
Community preservation state share.....	1,080,000	-	1,080,000
Special assessments.....	451,731	-	451,731
Total..... \$	<u>16,981,988</u>	<u>\$ (1,410,766)</u>	<u>\$ 15,571,222</u>

At June 30, 2021, receivables for the enterprise funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Water liens - user charges..... \$	149	\$ -	\$ 149
Water user charges.....	1,830,492	-	1,830,492
Water special assessments.....	8,774	-	8,774
Sewer liens - user charges.....	20,634	-	20,634
Sewer user charges.....	2,092,131	-	2,092,131
Sewer intergovernmental.....	352,974	-	352,974
Sewer special assessments.....	1,396,943	-	1,396,943
Solid Waste departmental and other.....	34,669	-	34,669
Total..... \$	<u>5,736,766</u>	<u>\$ -</u>	<u>\$ 5,736,766</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	Other Governmental Funds	Total
<u>Receivables and Other Assets:</u>				
Real estate and personal property taxes.....	\$ 821,927	\$ -	\$ -	\$ 821,927
Tax liens.....	533,085	7,044	-	540,129
Community preservation fund surtax.....	-	27,163	-	27,163
Motor vehicle and other excise taxes.....	1,239,274	-	-	1,239,274
Departmental and other.....	52,847	-	-	52,847
Intergovernmental.....	-	1,080,000	2,899,290	3,979,290
Special assessments.....	-	-	451,731	451,731
Tax foreclosures.....	1,623,225	-	-	1,623,225
Total.....	\$ 4,270,358	\$ 1,114,207	\$ 3,351,021	\$ 8,735,586

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, was as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental Activities:</u>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 106,252,083	\$ 117,000	\$ -	\$ 106,369,083
Construction in progress.....	26,354,005	3,180,578	(17,208,608)	12,325,975
Total capital assets not being depreciated....	132,606,088	3,297,578	(17,208,608)	118,695,058
<u>Capital assets being depreciated:</u>				
Land improvements.....	21,075,613	839,784	-	21,915,397
Buildings.....	375,911,305	5,384,152	-	381,295,457
Machinery and equipment.....	52,696,774	2,254,699	-	54,951,473
Vehicles.....	15,439,816	974,222	-	16,414,038
Infrastructure.....	123,047,669	14,805,928	-	137,853,597
Total capital assets being depreciated.....	588,171,177	24,258,785	-	612,429,962
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(7,808,403)	(991,608)	-	(8,800,011)
Buildings.....	(104,379,036)	(11,655,996)	-	(116,035,032)
Machinery and equipment.....	(45,775,351)	(2,316,145)	-	(48,091,496)
Vehicles.....	(10,477,123)	(4,492,354)	-	(14,969,477)
Infrastructure.....	(63,323,495)	(1,607,314)	-	(64,930,809)
Total accumulated depreciation.....	(231,763,408)	(21,063,417)	-	(252,826,825)
Total capital assets being depreciated, net.....	356,407,769	3,195,368	-	359,603,137
Total governmental activities capital assets, net.....	\$ 489,013,857	\$ 6,492,946	\$ (17,208,608)	\$ 478,298,195

Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 21,059,701	\$ -	\$ -	\$ 21,059,701
Construction in progress.....	24,730,761	6,813,351	(10,392,890)	21,151,222
Total capital assets not being depreciated....	45,790,462	6,813,351	(10,392,890)	42,210,923
<u>Capital assets being depreciated:</u>				
Land improvements.....	13,618,990	-	-	13,618,990
Buildings.....	32,915,852	1,901,569	-	34,817,421
Machinery and equipment.....	5,549,060	885,452	-	6,434,512
Vehicles.....	1,825,727	132,272	-	1,957,999
Infrastructure.....	153,489,779	8,723,662	-	162,213,441
Total capital assets being depreciated.....	207,399,408	11,642,955	-	219,042,363
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(7,198,293)	(544,445)	-	(7,742,738)
Buildings.....	(13,024,502)	(766,141)	-	(13,790,643)
Machinery and equipment.....	(4,329,584)	(420,345)	-	(4,749,929)
Vehicles.....	(1,197,407)	(88,519)	-	(1,285,926)
Infrastructure.....	(60,324,708)	(2,349,847)	-	(62,674,555)
Total accumulated depreciation.....	(86,074,494)	(4,169,297)	-	(90,243,791)
Total capital assets being depreciated, net.....	121,324,914	7,473,658	-	128,798,572
Total business-type activities capital assets, net....	\$ 167,115,376	\$ 14,287,009	\$ (10,392,890)	\$ 171,009,495

Component Unit

	Beginning Balance	Increases	Decreases	Ending Balance
Discretely Presented Component Unit:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 486,233	\$ 838,800	\$ -	\$ 1,325,033
<u>Capital assets being depreciated:</u>				
Leasehold Improvements.....	65,757	-	-	65,757
Meters and Parking equipment.....	682,674	16,847	-	699,521
Office furniture and other equipment.....	337,458	14,163	-	351,621
Buildings.....	-	1,566,421	-	1,566,421
Vehicles.....	49,251	26,305	(32,682)	42,874
Total capital assets being depreciated.....	1,135,140	1,623,736	(32,682)	2,726,194
<u>Less accumulated depreciation for:</u>				
Leasehold Improvements.....	(29,177)	(4,069)	-	(33,246)
Meters and Parking equipment.....	(439,400)	(41,712)	-	(481,112)
Office furniture and other equipment.....	(249,918)	(24,029)	-	(273,947)
Buildings.....	-	(18,409)	-	(18,409)
Vehicles.....	(37,803)	(5,261)	21,234	(21,830)
Total accumulated depreciation.....	(756,298)	(93,480)	21,234	(828,544)
Total capital assets being depreciated, net.....	378,842	1,530,256	(11,448)	1,897,650
Total component unit activities capital assets, net....	\$ 865,075	\$ 2,369,056	\$ (11,448)	\$ 3,222,683

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

Governmental Activities:

General government.....	\$	2,026,434
Public safety.....		2,310,239
Education.....		9,761,001
Public works.....		6,379,707
Health and human services.....		257,555
Culture and recreation.....		216,011
Community preservation.....		112,470

Total depreciation expense - governmental activities..... \$ 21,063,417

Business-Type Activities:

Water.....	\$	1,592,773
Sewer.....		1,283,995
Airport.....		1,196,374
Trash.....		96,155

Total depreciation expense - business-type activities... \$ 4,169,297

Component Unit Activities:

Plymouth Growth and Development Corporation.....	\$	<u>93,480</u>
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NOTE 6 – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2021, are summarized as follows:

Transfers Out:	Transfers In:							Total
	General fund	Community Preservation Fund	Town Building/Land Capital	Nonmajor Governmental funds	Sewer Enterprise fund	Water Enterprise fund	Airport Enterprise fund	
General fund.....	\$ -	\$ 25,000	\$ 35,290	\$ 13,889	\$ 685	\$ 20,678	\$ 243,571	\$ 339,113 (1)
Town Building/Land Capital.....	5,308	-	-	-	-	-	-	5,308 (2)
Nonmajor governmental funds.....	3,977,245	64,011	1,393,100	700	5,951	467,869	-	5,908,876 (3)
Sewer enterprise fund.....	-	-	-	-	-	220,649	-	220,649 (4)
Total.....	\$ <u>3,982,553</u>	\$ <u>89,011</u>	\$ <u>1,428,390</u>	\$ <u>14,589</u>	\$ <u>6,636</u>	\$ <u>709,196</u>	\$ <u>243,571</u>	\$ <u>6,473,946</u>

- (1) Budgeted transfers from the General Fund to the Community Preservation Fund, Town/Building/Land Capital Fund, various Nonmajor Funds and Enterprise Funds.
- (2) Transfer from the Town Building/Land Capital Major Fund to the General Fund.
- (3) Transfers from the Nonmajor Funds to the Community Preservation Fund, the Town Building/Land Capital Fund, various nonmajor funds, the enterprise funds, and general fund to fund the 2021 operating budget.
- (4) Transfer from Sewer Enterprise Fund to Water Enterprise Fund to supplement water operations.

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, 2021, are as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2020	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2021
Governmental Funds:							
	MCWT Interim Note (CWT-18-46).....	0.00%	12/31/21	\$ 196,150	\$ 3,850	\$ (200,000)	\$ -
	General Obligation.....	2.00%	06/10/21	16,853,000	-	(16,853,000)	-
	MCWT Interim Note (CWT-20-02).....	0.00%	12/31/22	-	71,150	-	71,150
	Total Governmental Funds.....			<u>\$ 17,049,150</u>	<u>\$ 75,000</u>	<u>\$ (17,053,000)</u>	<u>\$ 71,150</u>
Water Enterprise Fund:							
	General Obligation.....	2.00%	06/10/21	\$ 194,500	\$ -	\$ (194,500)	\$ -
Sewer Enterprise Fund:							
	MCWT Interim Note (CWP-16-07b)....	0.00%	12/31/21	35,014,105	1,128,851	(36,142,956)	-
	General Obligation.....	2.00%	06/10/21	403,500	-	(403,500)	-
	Total Sewer Enterprise Fund.....			<u>35,417,605</u>	<u>1,128,851</u>	<u>(36,546,456)</u>	<u>-</u>
	Total Enterprise Fund.....			<u>\$ 35,612,105</u>	<u>\$ 1,128,851</u>	<u>\$ (36,740,956)</u>	<u>\$ -</u>

The Town entered into an interim loan CWT-20-02 with the Massachusetts Clean Water Trust (MCWT) in 2021 totaling \$300,000. In 2021, The Town has drawn down \$71,500 against the interim loan. The drawdown of interim loan proceeds has been classified as a short term note in the governmental fund financial statements. Upon conclusion of the related construction project, the MCWT will finalize the loan and will issue a new note that will be payable on a long-term basis. Interim loan CWT-18-46 was permanently financed by the MCWT during the fiscal year and are reported as long-term debt. The Town paid down \$22.9 million of interim loan CWP-16-07b and permanently financed the remaining \$13.2 million as long-term debt.

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, 2021, 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, 2021
FY2013 Municipal Purpose Bonds.....	2038	\$ 23,674,000	3.00 - 5.00	\$ 12,780,000
FY2015 Municipal Purpose Bonds.....	2040	39,063,063	3.00 - 4.00	28,590,000
FY2016 Municipal Purpose Bonds.....	2035	730,743	0.00	529,787
FY2017 General Obligation Refunding Bonds...	2029	10,660,000	3.00 - 4.00	6,221,000
FY2017 Municipal Purpose Bonds.....	2047	68,375,000	3.00 - 5.00	59,955,000
FY2019 Municipal Purpose Bonds.....	2049	19,132,200	3.00 - 5.00	17,240,000
FY2021 Municipal Purpose Bonds.....	2050	18,204,938	2.00 - 5.00	18,204,938
FY2021 General Obligation Refunding Bonds...	2036	19,190,074	2.00 - 5.00	19,190,073
Sub-total general obligation bonds payable.....				162,710,798
Title V - MCWT (T5-97-1029-2).....	2025	185,254	0.00	30,000
FY2008 Title V - MCWT.....	2028	600,000	0.00	170,240
FY2010 Title V - MCWT.....	2028	400,000	0.00	186,662
FY2012 Title V - MCWT.....	2028	400,000	0.00	186,660
FY2015 Title V - MCWT.....	2035	300,000	0.00	210,000
FY2017 Title V - MCWT.....	2037	300,000	0.00	249,854
FY2018 Title V - MCWT.....	2039	200,000	2.00	183,644
FY2021 Title V - MCWT.....	2041	200,000	2.00	200,000
Subtotal direct borrowings payable.....				1,417,060
Total Bonds Payable.....				164,127,858
Add: Unamortized premium on bonds.....				13,799,351
Total Bonds Payable, net.....				\$ 177,927,209

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

Year	General Obligation Bonds			Direct Borrowings			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	
2022.....	\$ 10,516,248	\$ 6,307,675	\$ 16,823,923	\$ 148,195	\$ 12,378	\$ 160,573	\$ 16,984,496
2023.....	9,511,787	5,969,026	15,480,813	148,876	12,564	161,440	15,642,253
2024.....	9,348,137	5,523,412	14,871,549	124,401	11,574	135,975	15,007,524
2025.....	9,351,737	5,096,529	14,448,266	125,076	10,697	135,773	14,584,039
2026.....	9,280,587	4,669,185	13,949,772	120,766	9,932	130,698	14,080,470
2027.....	9,215,737	4,244,226	13,459,963	121,470	9,278	130,748	13,590,711
2028.....	9,095,887	3,821,976	12,917,863	112,191	8,608	120,799	13,038,662
2029.....	7,853,187	3,427,580	11,280,767	49,594	7,924	57,518	11,338,285
2030.....	7,716,537	3,079,639	10,796,176	50,347	7,225	57,572	10,853,748
2031.....	7,751,537	2,730,855	10,482,392	51,115	6,512	57,627	10,540,019
2032.....	7,531,537	2,451,525	9,983,062	51,901	5,785	57,686	10,040,748
2033.....	7,206,537	2,211,404	9,417,941	52,702	5,041	57,743	9,475,684
2034.....	6,946,537	1,967,508	8,914,045	53,522	4,277	57,799	8,971,844
2035.....	6,521,537	1,757,369	8,278,906	54,358	3,501	57,859	8,336,765
2036.....	6,298,269	1,568,926	7,867,195	40,214	2,706	42,920	7,910,115
2037.....	5,095,000	1,377,656	6,472,656	41,088	1,895	42,983	6,515,639
2038.....	5,030,000	1,209,058	6,239,058	23,326	1,066	24,392	6,263,450
2039.....	4,645,000	1,027,925	5,672,925	23,832	714	24,546	5,697,471
2040.....	4,415,000	864,144	5,279,144	11,914	482	12,396	5,291,540
2041.....	3,340,000	706,717	4,046,717	12,172	244	12,416	4,059,133
2042.....	2,910,000	588,112	3,498,112	-	-	-	3,498,112
2043.....	2,975,000	476,502	3,451,502	-	-	-	3,451,502
2044.....	2,825,000	375,112	3,200,112	-	-	-	3,200,112
2045.....	2,880,000	277,950	3,157,950	-	-	-	3,157,950
2046.....	2,670,000	165,588	2,835,588	-	-	-	2,835,588
2047.....	1,225,000	61,676	1,286,676	-	-	-	1,286,676
2048.....	235,000	15,400	250,400	-	-	-	250,400
2049.....	240,000	8,776	248,776	-	-	-	248,776
2050.....	80,000	1,987	81,987	-	-	-	81,987
Total.....	\$ 162,710,798	\$ 61,983,438	\$ 224,694,236	\$ 1,417,060	\$ 122,403	\$ 1,539,463	\$ 226,233,699

The Town is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for interest costs of \$2,500. The final principal payment was made in 2020. Thus, net MCWT loan repayments, including interest, are scheduled to be \$27,500. 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 2021 interest subsidies totaled \$5,278.

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 2021, approximately \$657,000 of such assistance was received. This was the final payment scheduled to be received by the Town.

Bonds Payable Schedule – Enterprise Funds

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2021
FY2015 Sewer Bonds.....	2035	\$ 1,549,800	3.00 - 5.00	\$ 1,070,000
FY2017 Sewer Bonds (Refunding).....	2029	288,500	3.00 - 4.00	229,800
FY2017 Sewer Bonds.....	2039	3,930,000	3.00 - 4.00	3,325,000
FY2019 Sewer Bonds.....	2039	7,327,300	3.00 - 5.00	6,585,000
FY2021 Sewer Bonds (Refunding).....	2031	336,500	2.00 - 5.00	336,500
FY2021 Sewer Bonds.....	2041	1,335,739	2.00 - 5.00	<u>1,335,739</u>
Sub-total sewer general obligation bonds payable.....				12,882,039
FY2004 MCWT.....	2024	480,794	0.00	66,560
FY2005 MCWT (Refunding).....	2023	26,944,600	4.64 - 5.10	1,262,994
FY2009 MCWT Sewer Bonds.....	2023	946,000	2.00 - 5.00	17,856
FY2019 MCWT.....	2049	7,319,662	2.40	6,831,684
FY2019 MCWT.....	2049	3,986,181	2.40	3,713,391
FY2021 MCWT.....	2051	13,241,047	2.20	<u>13,241,047</u>
Sub-total sewer direct borrowings payable.....				25,133,532
Add: Unamortized premium on bonds.....				<u>1,178,442</u>
Total sewer bonds payable.....				<u>39,194,013</u>
FY2013 Water Bonds.....	2023	800,000	3.00 - 5.00	160,000
FY2015 Water Bonds.....	2035	2,652,137	3.00 - 4.00	1,839,806
FY2017 Water Bonds (Refunding).....	2029	1,981,375	3.00 - 4.00	1,564,395
FY2017 Water Bonds.....	2037	5,025,000	3.00 - 5.00	3,080,000
FY2019 Water Bonds.....	2039	8,720,500	3.00 - 5.00	7,840,000
FY2021 Water Bonds (Refunding).....	2031	1,455,000	2.00 - 5.00	547,750
FY2021 Water Bonds.....	2041	547,750	2.00 - 5.00	<u>1,455,000</u>
Sub-total water general obligation bonds payable.....				16,486,951
Add: Unamortized premium on bonds.....				<u>1,655,674</u>
Total water bonds payable.....				<u>18,142,625</u>
FY2017 Airport Bonds.....	2032	440,000	3.00 - 5.00	<u>350,000</u>
Total Bonds Payable, net.....				<u>\$ 57,686,638</u>

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

Year	General Obligation Bonds			Direct Borrowings			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	
2022.....	\$ 2,305,484	\$ 1,225,722	\$ 3,531,206	\$ 1,472,612	\$ 489,510	\$ 1,962,122	\$ 5,493,328
2023.....	2,309,750	1,131,560	3,441,310	1,486,385	532,519	2,018,904	5,460,214
2024.....	2,228,400	1,019,907	3,248,307	842,567	497,279	1,339,846	4,588,153
2025.....	2,219,800	912,922	3,132,722	818,043	477,911	1,295,954	4,428,676
2026.....	2,200,950	806,332	3,007,282	818,038	459,156	1,277,194	4,284,476
2027.....	2,035,800	700,792	2,736,592	818,033	440,401	1,258,434	3,995,026
2028.....	1,795,650	603,258	2,398,908	818,028	421,646	1,239,674	3,638,582
2029.....	1,803,350	521,982	2,325,332	818,021	402,891	1,220,912	3,546,244
2030.....	1,585,000	440,084	2,025,084	818,016	384,137	1,202,153	3,227,237
2031.....	1,595,000	367,734	1,962,734	818,010	365,383	1,183,393	3,146,127
2032.....	1,385,000	307,234	1,692,234	818,005	346,628	1,164,633	2,856,867
2033.....	1,350,000	257,365	1,607,365	817,999	327,874	1,145,873	2,753,238
2034.....	1,355,000	206,913	1,561,913	817,993	309,119	1,127,112	2,689,025
2035.....	1,359,806	164,147	1,523,953	817,987	290,364	1,108,351	2,632,304
2036.....	1,160,000	122,250	1,282,250	817,981	272,609	1,090,590	2,372,840
2037.....	1,170,000	86,994	1,256,994	817,974	252,854	1,070,828	2,327,822
2038.....	865,000	51,400	916,400	817,967	234,100	1,052,067	1,968,467
2039.....	865,000	26,100	891,100	817,961	215,346	1,033,307	1,924,407
2040.....	65,000	800	65,800	817,954	196,590	1,014,544	1,080,344
2041.....	65,000	400	65,400	817,946	177,835	995,781	1,061,181
2042.....	-	-	-	817,937	159,081	977,018	977,018
2043.....	-	-	-	817,930	140,326	958,256	958,256
2044.....	-	-	-	817,922	121,569	939,491	939,491
2045.....	-	-	-	817,914	102,815	920,729	920,729
2046.....	-	-	-	817,906	84,062	901,968	901,968
2047.....	-	-	-	817,898	65,307	883,205	883,205
2048.....	-	-	-	817,889	46,551	864,440	864,440
2049.....	-	-	-	817,880	30,724	848,604	848,604
2050.....	-	-	-	441,368	19,420	460,788	460,788
2051.....	-	-	-	441,368	9,710	451,078	451,078
Total.....	\$ 29,718,990	\$ 8,953,896	\$ 38,672,886	\$ 25,133,532	\$ 7,873,717	\$ 33,007,249	\$ 71,680,135

The Town is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for principal in the amount of \$351,656 and interest costs for \$59,282. Thus, net MCWT loan repayments, including interest, are scheduled to be \$4,670,886. 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 \$351,656 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 2021 principal subsidies recognized in the Sewer Enterprise and Water Enterprise Funds are \$780,179 and \$16,322, respectively. The 2021 interest subsidies are \$94,762 and \$1,125, respectively.

In order to take advantage of favorable interest rates, the Town issued \$20,074,324 of general obligation refunding bonds on June 9, 2021. The proceeds of the refunding bonds were used to complete a current refunding of existing debt. The refunded bonds totaled \$24,200,000 and became callable on July 15, 2021. As a result of the transaction, the refunded bonds were paid down on the call date and the liability has been removed from the statement of net position. The transaction resulted in an economic gain of \$6.1 million.

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, 2021, the Town had the following authorized and unissued debt:

Purpose	Amount
Stephens Field Renovation.....	\$ 1,800,000
North Plymouth Fire Station.....	900,000
Fire Stations Renovation Program.....	1,607,356
Beach Nourishment.....	2,506,000
Rehab Plymouth Beach Revetment.....	815,000
Library Roof/Chillers/Ducts/ Drains.....	155,077
School Street Retaining Wall.....	988,000
DMEA - Plymouth Harbor Dredging.....	2,600,000
Market St. Bridge Repair & Rail Painting.....	72,000
Culvert Relocation - Hedge Road.....	643,000
National Memorial Meeting House Town Square...	40,000
Newfield St. Bridge Construction.....	5,000
Title V Septic MCWT #14.....	300,000
Title V Septic MCWT #15.....	300,000
Collection System Rehabilitation.....	700,000
Cordage Gravity Interceptor Relocation.....	395,000
Forges Field Well and System Expansion.....	1,605,000
Manomet Zone Pipe Upgrades.....	5,100,000
Total.....	<u>\$ 20,531,433</u>

Changes in Long-Term Liabilities

During the year ended June 30, 2021, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
Long-term bonds payable.....	\$ 159,235,203	\$ 37,595,012	\$ (9,552,358)	\$ -	\$ (23,150,000)	\$ 164,127,858	\$ 10,664,443
Add: Unamortized premium on bonds...	10,789,132	5,375,308	-	-	(2,365,088)	13,799,351	1,643,559
Total bonds payable.....	170,024,335	42,970,320	(9,552,358)	-	(25,515,088)	177,927,209	12,308,002
Capital lease obligations.....	625,492	-	-	-	(625,492)	-	-
Landfill closure.....	450,000	-	-	-	(50,000)	400,000	50,000
Compensated absences.....	2,382,000	-	-	80,000	(239,000)	2,223,000	223,000
Net pension liability.....	155,803,451	-	-	11,444,816	(14,791,785)	152,456,482	-
Other postemployment benefits.....	967,070,074	-	-	87,421,478	(132,428,485)	922,063,067	-
Total governmental activity							
long-term liabilities.....	<u>\$ 1,296,355,352</u>	<u>\$ 42,970,320</u>	<u>\$ (9,552,358)</u>	<u>\$ 98,946,294</u>	<u>\$ (173,649,850)</u>	<u>\$ 1,255,069,758</u>	<u>\$ 12,581,002</u>
Business-Type Activities:							
Long-term bonds payable.....	\$ 43,986,783	\$ 16,909,186	\$ (4,993,447)	\$ -	\$ (1,050,000)	\$ 54,852,522	\$ 3,778,096
Add: Unamortized premium on bonds...	2,552,084	622,832	-	-	(340,800)	2,834,116	407,505
Total bonds payable.....	46,538,867	17,532,018	(4,993,447)	-	(1,390,800)	57,686,638	4,185,601
Compensated absences.....	88,000	-	-	15,800	(8,800)	95,000	9,500
Net pension liability.....	6,564,549	-	-	1,022,522	(671,017)	6,916,054	-
Other postemployment benefits.....	20,488,603	-	-	1,782,679	(3,145,696)	19,125,586	-
Total business-type activity							
long-term liabilities.....	<u>\$ 73,680,019</u>	<u>\$ 17,532,018</u>	<u>\$ (4,993,447)</u>	<u>\$ 2,821,001</u>	<u>\$ (5,216,313)</u>	<u>\$ 83,823,278</u>	<u>\$ 4,195,101</u>

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

NOTE 9 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

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

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

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

As of June 30, 2021, the governmental fund balances consisted of the following:

	General	Community Preservation	Town Building/ Land Capital	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:					
Nonspendable:					
Permanent fund principal.....	\$ -	\$ -	\$ -	\$ 1,698,044	\$ 1,698,044
Restricted for:					
Community Preservation.....	-	4,065,216	-	-	4,065,216
Town Capital Projects.....	-	-	4,091,230	-	4,091,230
Excluded Debt Projects.....	-	-	-	336,240	336,240
Town Federal Grants.....	-	-	-	871,319	871,319
Town Revolving.....	-	-	-	3,608,186	3,608,186
Town Gifts.....	-	-	-	1,628,051	1,628,051
Town Title V.....	-	-	-	876,036	876,036
Town Other Grants.....	-	-	-	3,191,916	3,191,916
School Lunch.....	-	-	-	1,608,776	1,608,776
School Federal Grants.....	-	-	-	149,530	149,530
School State Grants.....	-	-	-	3,071,772	3,071,772
School Revolving.....	-	-	-	2,137,884	2,137,884
Other Special Revenue.....	-	-	-	122,296	122,296
Permanent Funds.....	-	-	-	1,640,963	1,640,963
Committed to:					
Articles and continuing appropriations:					
General government.....	31,734	-	-	-	31,734
Public safety.....	1,134,884	-	-	-	1,134,884
Education.....	1,065,606	-	-	-	1,065,606
Public works.....	5,583,570	-	-	-	5,583,570
Culture and recreation.....	231,385	-	-	-	231,385
Assigned to:					
General government.....	289,812	-	-	-	289,812
Public safety.....	216,854	-	-	-	216,854
Education.....	490,962	-	-	-	490,962
Public works.....	180,431	-	-	-	180,431
Health and human services.....	10,000	-	-	-	10,000
Culture and recreation.....	12,437	-	-	-	12,437
Free cash used for subsequent year budget.....	4,612,473	-	-	-	4,612,473
Unassigned.....	48,590,271	-	-	(288,843)	48,301,428
Total Fund Balances.....	\$ 62,450,419	\$ 4,065,216	\$ 4,091,230	\$ 20,652,170	\$ 91,259,035

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 \$12,386,908 and is reported as unassigned fund balance within the General Fund. During 2021, the fund earned \$938,571 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 \$8,542,726 and is reported as unassigned fund balance within the General Fund. During 2021, the fund earned \$557,471 of investment income and had a transfer in from the general fund of \$1,000,000. The Nuclear Plant Mitigation Stabilization fund balance can be used for general and/or capital purposes upon Town Meeting approval.

At year end, the balance of the Pavement Management Stabilization Fund is \$3,443,663 and is reported as unassigned fund balance within the General Fund. During 2021, the fund earned \$220,033 of investment income and had a transfer in the general fund \$697,473 and a transfer out to the general fund of \$614,731. The Pavement Management Stabilization Fund can be used for capital purposes related to the sidewalks and roadways.

The Facility Capital Maintenance Stabilization Fund was established in fiscal year 2021. At year end, the balance of the Facility Capital Maintenance Stabilization Fund is \$2,501,679 and is reported as unassigned fund balance within the General Fund. During 2021, the fund earned \$1,679 of investment income and received a transfer in from the general fund of \$2,500,000. The Facility Capital Maintenance Stabilization Fund can be used for capital maintenance of Town-owned buildings.

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 an approximate 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, 2021, the amount of the liability for health and dental insurance claims totaled \$2,565,000. This liability is the best estimate based on available information. Changes in the reported liability since July 1, 2019, are as presented on the following page.

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End
2020..... \$	2,540,000	\$ 45,896,680	\$ (46,007,680)	\$ 2,429,000
2021.....	2,429,000	42,476,695	(42,340,695)	2,565,000

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, 2020. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$29,659,981 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 \$240,133,930 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.

At December 31, 2020, the System's membership consists of the following:

Active members.....	890
Inactive members.....	175
Retirees and beneficiaries currently receiving benefits.....	<u>801</u>
Total.....	<u>1,866</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, 2020 was \$15,823,487, 30.68% 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 \$15,452,678; the Town also transferred an additional \$10,124 from federal grants.

Pension Liabilities

The components of the net pension liability of the participating member units at December 31, 2020, were as follows:

Total pension liability.....	\$	378,705,788
Total pension plan's fiduciary net position.....		<u>(215,615,732)</u>
Total net pension liability.....	\$	<u>163,090,056</u>
The pension plan's fiduciary net position as a percentage of the total pension liability.....		56.93%

At June 30, 2021, the Town reported a liability of \$159,372,536 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. 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, 2020, the Town's proportion was 97.72%, which changed from its 97.71% proportion measured at December 31, 2019.

Pension Expense

For the year ended June 30, 2021, the Town recognized pension expense of \$17,691,664. At June 30, 2021, the Town reported deferred outflows of resources related to pensions of \$7,134,811. The Town is also reporting deferred inflows of resources related to pensions of \$10,119,601.

The balances of deferred outflows and inflows at June 30, 2021 consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 1,596,785	\$ (163,480)	\$ 1,433,305
Difference between projected and actual earnings, net.....	-	(9,686,921)	(9,686,921)
Changes in assumptions.....	5,520,599	-	5,520,599
Changes in proportion and proportionate share of contributions...	17,427	(269,200)	(251,773)
Total deferred outflows/(inflows) of resources.....	\$ 7,134,811	\$ (10,119,601)	\$ (2,984,790)

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

Year ended June 30:

2022.....	\$ (318,477)
2023.....	1,978,128
2024.....	(3,959,410)
2025.....	(685,031)
Total.....	\$ (2,984,790)

Actuarial Assumptions

The total pension liability in the January 1, 2020, actuarial valuation was determined using the following actuarial assumptions:

Valuation date.....	January 1, 2020
Actuarial cost method.....	Entry Age Normal Cost Method.
Amortization method.....	UAAL: Increasing dollar amount at 4% to reduce the Unfunded Actuarial Accrued Liability to zero on or before June 30, 2035. The annual increase in appropriation is further limited to 5% in FY2022 and 8.05% thereafter. 2002 ERI: Increasing dollar amount at 4.25% to reduce the 2002 ERI Actuarial Accrued Liability to zero on or before June 30, 2028.
Asset valuation method.....	The Actuarial Value of Assets is the market value of assets as of the valuation date reduced by the sum of: a) 75% of gains and losses of the prior year, b) 50% of gains and losses of the second prior year, and c) 25% of gains and losses of the third prior year. Investment gains and losses are determined by the excess or deficiency of the expected return over the actual return on the market value. The actuarial valuation of assets is further constrained to be not less than 90% or more than 110% of market value.

Inflation rate.....	2.3% per year.
Projected salary increases.....	6% - 4.25% for Group 1 and 7% - 4.75% for Group 4.
Cost of living adjustments.....	In accordance with the adoption of Chapter 17 of the Acts of 1997, the granting of a Cost-of-Living Adjustment will be determined by an annual vote by the Retirement Board. The amount of increase will be based upon the Consumer Price Index, limited to a maximum of 3%, beginning on July 1. All retirees, disabled retirees and beneficiaries who have been receiving benefit payments for at least one year as of July 1 are eligible for the adjustment. The maximum amount of pension benefit subject to a COLA is currently \$14,000. All COLAs granted to members after 1981 and prior to July 1, 1998 are deemed to be an obligation of the Commonwealth of Massachusetts and are not the liability of the Retirement System.
Rates of retirement.....	Varies based upon age for general employees, police and fire employees.
Mortality rates.....	RP-2014 Blue Collar Employees table with generationally mortality improvement using Scale MP-2018. For disabled member, RP-2014 Blue Collar Mortality Table set forward one year with full generational mortality improvement using Scale MP-2018.
Investment rate of return.....	7.00% 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, 2020, are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Core Fixed Income.....	18.0%	0.1% - 1.4%
High Yield Fixed Income.....	6.5%	2.4% - 3.9%
Domestic Large Cap.....	21.6%	4.1% - 4.9%
Domestic Small Cap.....	9.3%	4.1% - 5.4%
International Developed Equity.....	15.4%	4.3% - 5.9%
Emerging Markets Equity.....	6.6%	6.1% - 7.4%
Real Estate.....	10.0%	3.7% - 4.43%
Hedge Funds.....	5.0%	3.4% - 4.3%
Private Equity.....	7.6%	7.4% - 7.9%
Total.....	100%	

Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.43%. 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 7.00%, which remained consistent with the previous valuation. 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 pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
The Town's proportionate share of the net pension liability.....	\$ 202,371,381	\$ 159,372,536	\$ 123,090,621
The System's total net pension liability.....	\$ 207,091,892	\$ 163,090,056	\$ 125,961,830

Change in Plan Assumptions

None.

Change in Plan Provisions

None.

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.

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 2021, contributions to the plan totaled \$19,831,950. For the year ended June 30, 2021, the Town's average contribution rate was 16.82% of covered employee payroll.

Rate of Return

The annual money-weighted rate of return on OPEB plan investments was 21.56%. The money-weighted rate of return expresses investment performance, net of OPEB plan investment expense, adjusted for the changing amounts actually invested.

Plan Membership

The following table represents the Plan's membership at June 30, 2021:

Active members.....	1,596
Inactive members currently receiving benefits.....	<u>1,326</u>
Total.....	<u><u>2,922</u></u>

Components of OPEB Liability

The following table represents the components of the other postemployment benefits liability as of June 30, 2021:

Total OPEB liability.....	\$ 949,808,155
Less: OPEB plan's fiduciary net position.....	<u>(8,619,502)</u>
Net OPEB liability.....	<u><u>\$ 941,188,653</u></u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.....	0.91%

Significant Actuarial Methods Assumptions

The following actuarial methods and assumptions were used to determine the total other postemployment benefit liability in the July 1, 2020, actuarial valuation, applied to all periods included in the measurement date that was updated to June 30, 2021 to be in compliance with GASB Statement #74 and Statement #75:

Valuation date.....	July 1, 2020.
Actuarial cost method.....	Entry Age Normal.
Amortization method.....	Increasing at 3.5% over 30 years on an open amortization period for partial pre-funding.
Amortization period.....	30 years.
Asset valuation method.....	Fair value.
Investment rate of return.....	5.5%, compounded annually, net of fees.
Discount rate.....	2.16%. Net of investment expenses, including inflation.
Healthcare cost trend rate.....	7.00% for 2020, decreasing 0.4% per year to 5.4%, then grading down to ultimate trend rate of 4%, utilizing the Society of Actuaries Getzen Medical Trend Model. The ultimate medical inflation rate is reached in 2075.
Inflation rate.....	2.20% per year, based on current economic data, analyses from economists and other experts, and professional judgements.
Mortality rates:	
Pre-retirement mortality (General and Public Safety employees).....	RP-2014 Blue Collar Employees Table projected generationally with Scale MP-2018.
Post-retirement mortality (General and Public Safety employees).....	RP-2014 Blue Collar Healthy Annuitant Table projected generationally with Scale MP-2018.
Pre-retirement mortality - Teachers.....	PUB-2010 Teachers Headcount-Weighted Retiree Mortality Table, base year 2010, projected with generationally mortality using Scale MP-2020.
Post-retirement mortality - Teachers.....	PUB-2010 Teachers Headcount-Weighted Retiree Mortality Table, base year 2010, projected with generationally mortality using Scale MP-2020.

Investment Policy

The Town's policy in regard to the allocation of invested assets is established and may be amended by the Select Board by a majority vote of its members. The OPEB plan's 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 plan.

The long-term expected rate of return on OPEB 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 OPEB 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 weighing the expected future real rates of return by the target

asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin.

The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized below:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equities.....	40.00%	4.40%
International equities.....	20.00%	5.25%
Fixed income.....	40.00%	1.05%
Total.....	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 2.16%. The projection of cash flows used to determine the discount rate assumed that contributions from the Town will be made in accordance with the plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be insufficient to make all projected benefit payments of current plan members. Therefore, the 2.16% municipal bond rate was applied to all periods to determine the total OPEB liability.

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

The following table presents the net OPEB liability calculated using the discount rate of 2.16%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.16%) or 1 percentage point higher (3.16%) than the current rate.

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Net OPEB liability.....	\$ 1,150,566,282	\$ 941,188,653	\$ 781,325,653

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following table presents the net OPEB liability calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Net OPEB liability.....	\$ 763,693,510	\$ 941,188,653	\$ 1,181,490,397

Changes in Assumptions and Plan Provisions

- The discount rate changed from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021.
- The inflation rate changed from 2.40% as of June 30, 2020 to 2.20% as of June 30, 2021.
- The healthcare cost trend rate changed from 8.00% to 7.00%.
- Mortality tables and improvement rates have been updated since the prior valuation.
- Percentage of employees retiring with a covered spouse was updated from 65% to 70%.
- The participation rates for medical, dental, and life have been updated since the prior valuation.
- The eligibility criteria for Medicare Part B reimbursements and the reimbursement amounts offered changed, effective February 1, 2021.

Summary of Significant Accounting Policies

For the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the plan.

For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts (repurchase agreements) that have a maturity at the time of purchase of one year or less, which are reported at cost.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2020.....	\$ 994,140,743	\$ 6,582,066	\$ 987,558,677
Changes for the year:			
Service cost.....	40,436,080	-	40,436,080
Interest.....	22,650,812	-	22,650,812
Changes of benefit terms.....	(9,686,259)	-	(9,686,259)
Differences between expected and actual experience.....	(52,938,875)	-	(52,938,875)
Net investment income.....	-	1,511,928	(1,511,928)
Contributions - employer.....	-	19,831,950	(19,831,950)
Changes in assumptions and other inputs.....	(25,487,904)	-	(25,487,904)
Benefit payments.....	(19,306,442)	(19,306,442)	-
Net change.....	(44,332,588)	2,037,436	(46,370,024)
Balances at June 30, 2021.....	\$ <u>949,808,155</u>	\$ <u>8,619,502</u>	\$ <u>941,188,653</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the GASB Statement #75 measurement date, the Town recognized an OPEB expense of \$89,204,157. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 8,805,431	\$ (45,130,781)	\$ (36,325,350)
Changes in assumptions.....	224,124,624	(30,974,406)	193,150,218
Earnings on OPEB Plan Investments.....	-	(906,974)	(906,974)
Total deferred outflows/(inflows) of resources.....	\$ <u>232,930,055</u>	\$ <u>(77,012,161)</u>	\$ <u>155,917,894</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Measurement date year ended June 30:	
2022.....	\$ 36,224,595
2023.....	38,058,243
2024.....	41,782,931
2025.....	36,403,065
2026.....	12,471,607
Thereafter.....	<u>(9,022,547)</u>
Total.....	\$ <u>155,917,894</u>

NOTE 14 – FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST FUNDS

GAAP requires that all Pension and Other Postemployment Benefit Trust Funds be combined in one column in the Fiduciary Funds financial statements and the individual financial statements for each trust fund plan are reported in the notes of the financial statements. Provided below are the individual financial statements for the pension and OPEB plans that are included in the Fiduciary Funds as Pension and Other Postemployment Benefit Trust Funds.

	Pension Trust Fund (as of December 31, 2020)	Other Postemployment Benefit Trust Fund	Total Pension and Other Employee Benefit Trust Funds
ASSETS			
Cash and cash equivalents.....	\$ 2,531,782	\$ -	\$ 2,531,782
Investments:			
Investments in Pension Reserve Investment Trust.....	3,251,231	-	3,251,231
Equity securities.....	52,400,542	5,640,457	58,040,999
Equity mutual funds.....	70,011,094	-	70,011,094
Fixed income mutual funds.....	37,051,631	2,979,045	40,030,676
Alternative investments.....	50,434,575	-	50,434,575
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	11,746	-	11,746
Other assets.....	32,395	-	32,395
TOTAL ASSETS.....	215,724,996	8,619,502	224,344,498
LIABILITIES			
Warrants payable.....	109,264	-	109,264
NET POSITION			
Restricted for pensions.....	215,615,732	-	215,615,732
Restricted for other postemployment benefits.....	-	8,619,502	8,619,502
TOTAL NET POSITION.....	\$ 215,615,732	\$ 8,619,502	\$ 224,235,234
ADDITIONS:			
Contributions:			
Employer contributions.....	\$ 15,813,363	\$ 525,508	\$ 16,338,871
Employer contributions for other postemployment benefit payments....	-	19,306,442	19,306,442
Member contributions.....	5,124,608	-	5,124,608
Transfers from other systems.....	47,224	-	47,224
3(8)c contributions from other systems.....	392,377	-	392,377
Federal grant reimbursements.....	10,124	-	10,124
State COLA reimbursements.....	116,023	-	116,023
Member makeup payments and redeposits.....	55,957	-	55,957
Interest not refunded.....	7,755	-	7,755
Miscellaneous.....	65,131	-	65,131
Total contributions.....	21,632,562	19,831,950	41,464,512
Net investment income:			
Net change in fair value of investments.....	10,433,023	1,511,928	11,944,951
Investment income.....	9,352,122	-	9,352,122
Less: investment expense.....	(1,100,719)	-	(1,100,719)
Net investment income (loss).....	18,684,426	1,511,928	20,196,354
TOTAL ADDITIONS.....	40,316,988	21,343,878	61,660,866
DEDUCTIONS:			
Administration.....	753,628	-	753,628
Transfers to other systems.....	476,408	-	476,408
3(8)c transfer to other systems.....	673,651	-	673,651
Retirement benefits and refunds.....	20,994,851	-	20,994,851
Other postemployment benefit payments.....	-	19,306,442	19,306,442
TOTAL DEDUCTIONS.....	22,898,538	19,306,442	42,204,980
NET INCREASE (DECREASE) IN NET POSITION.....	17,418,450	2,037,436	19,455,886
NET POSITION AT BEGINNING OF YEAR.....	198,197,282	6,582,066	204,779,348
NET POSITION AT END OF YEAR.....	\$ 215,615,732	\$ 8,619,502	\$ 224,235,234

NOTE 15 - 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 \$400,000.

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 16 – COMMITMENTS

During 2016, the Town entered into a new long-term contract with South Eastern Massachusetts Partnership (SEMASS) to provide solid waste disposal services through 2021. During 2020, the agreement was extended through 2025. Total charges are based on a formula of tipping and transport fees with costs rising 2.5% annually. Actual expenditures under this contract for 2021 were approximately \$287,000.

The Town has entered into, or is planning to enter into, contracts totaling approximately \$20.5 million for road pavement preservation, beach nourishment and revetment, harbor dredging, the North Plymouth Fire Station, Manomet Zone pipe upgrades, Forges Field well and system expansion, and other miscellaneous projects.

NOTE 17 – 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, 2021, 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, 2021 cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2021.

NOTE 18 – COVID-19

On March 10, 2020, the Massachusetts Governor declared a state of emergency in response to the coronavirus outbreak. The World Health Organization officially declared the novel Coronavirus (COVID-19) a pandemic the following day. In an attempt to slow the spread of COVID-19, governments issued various stay at home orders that caused global economic shutdowns and substantial financial market impact. Starting in March 2020, the Governor continued to issue orders allowing governments to operate and carry out essential functions safely. These included modifying the state's Open Meeting Law, issuing a stay-at-home order, and introducing a phased approach to reopening State businesses. The Town is considered an essential business and although it was closed to the public for a period of time, departments remained operational and most employees continued to perform their daily duties.

A number of businesses have been forced to stop or significantly reduce operations decreasing, the Town's portion of certain revenue. The Town has also incurred unanticipated costs specifically related to the pandemic.

On March 27, 2020 the United States Federal Government established the Coronavirus Aid, Relief and Economic Security (CARES) Act in response to the economic downfall caused by the COVID-19 pandemic. This Act requires that the payment from these funds be used only to cover expenses that; are necessary expenditures incurred due to the public health emergency with respect COVID-19; were not accounted for in the budget most recently approved as of March 27, 2020; and were incurred during the period that begins on March 1, 2020 and ends on December 30, 2021. The Commonwealth and communities throughout the Commonwealth were awarded a portion of this federal funding.

In addition to the CARES Act, on March 11, 2021, the United States Federal Government established the American Rescue Plan Act (ARPA) to enhance the United States' recovery from the economic and health effects of the COVID-19 pandemic. This Act requires that the payment from these funds be used to cover costs related to; public health; negative economic impacts; services to disproportionately impacted communities; premium pay; infrastructure; revenue replacement; or administration. These funds can only be used to cover costs incurred between March 3, 2021, and December 31, 2024. The Commonwealth and communities throughout the Commonwealth were awarded a portion of this federal funding.

In addition to funding from the CARES Act and the ARPA Act, there are several other federal and state grants available. The full extent of the financial impact cannot be determined as of the date of the financial statements.

NOTE 19 – TAX INCREMENT FINANCING AGREEMENTS

Periodically, the Town will enter into tax increment financing (TIF) agreements with commercial entities under Chapter 40, Section 59 of the Massachusetts General Laws. Under this section of the law, localities may grant property tax exemptions of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The exemptions may be granted to any business located within or promising to relocate to the Town. For the fiscal year ended June 30, 2021, the Town exempted property taxes totaling \$334,000 under this program.

The Town has not made any commitments as part of the agreements other than to reduce taxes. The Town is not subject to any tax abatement agreements entered into by other governmental entities.

NOTE 20 – REVISION OF NET POSITION AND FUND BALANCE PREVIOUSLY REPORTED

Beginning net position and fund balance of the governmental activities and the nonmajor governmental funds, respective, and net position of the custodial funds, respectively, have been revised to reflect the implementation of GASB Statement #84 – *Fiduciary Activities*. The revised balances are summarized in the following table:

	6/30/2020 Previously Reported Balances	Implementation of GASB #84	6/30/2020 Revised Balances
Government-Wide Financial Statements			
Governmental activities.....	\$ (461,711,377)	\$ 48,448	\$ (461,662,929)
Governmental Funds			
Nonmajor governmental funds.....	\$ 23,025,189	\$ 48,448	\$ 23,073,637

NOTE 21 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 3, 2022, which is the date the financial statements were available to be issued.

NOTE 22 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2021, the following GASB pronouncements were implemented:

- GASB Statement #84, *Fiduciary Activities*. The basic financial statements and related notes were updated to be in compliance with this pronouncement.
- GASB Statement #90, *Majority Equity Interests – an amendment of GASB Statements #14 and #61*. This pronouncement did not impact the basic financial statements.
- GASB Statement #98, *The Annual Comprehensive Financial Report*. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #87, *Leases*, which is required to be implemented in 2022.
- The GASB issued Statement #89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is required to be implemented in 2022.
- The GASB issued Statement #91, *Conduit Debt Obligations*, which is required to be implemented in 2023.
- The GASB issued Statement #92, *Omnibus 2020*, which is required to be implemented in 2022.
- The GASB issued Statement #93, *Replacement of Interbank Offered Rates*, which is required to be implemented in 2022.
- The GASB issued Statement #94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which is required to be implemented in 2023.
- The GASB issued Statement #96, *Subscription-Based Information Technology Arrangements*, which is required to be implemented in 2023.
- The GASB issued Statement #97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, which is required to be implemented in 2022.

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

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Required Supplementary Information

General Fund Budgetary Comparison Schedule

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

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

YEAR ENDED JUNE 30, 2021

	Budgeted Amounts					
	Amounts Carried Forward From Prior Year	Original Budget	Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
REVENUES:						
Real estate and personal property taxes, net of tax refunds.....	\$ -	\$ 189,277,817	\$ 189,277,817	\$ 189,496,766	\$ -	\$ 218,949
Tax liens.....	-	-	-	554,262	-	554,262
Motor vehicle and other excise taxes.....	-	9,074,522	9,074,522	10,299,337	-	1,224,815
Charges for services.....	-	-	-	59,944	-	59,944
Penalties and interest on taxes.....	-	852,000	852,000	1,091,197	-	239,197
Payments in lieu of taxes.....	-	72,000	72,000	73,970	-	1,970
Intergovernmental.....	-	34,169,867	34,169,867	34,542,856	-	372,989
Departmental and other.....	-	6,993,100	6,993,100	9,766,574	-	2,773,474
Investment income.....	-	227,448	227,448	209,326	-	(18,122)
TOTAL REVENUES.....	-	240,666,754	240,666,754	246,094,232	-	5,427,478
EXPENDITURES:						
Current:						
General government.....	922,539	10,352,095	10,317,059	8,931,149	321,546	1,064,364
Public safety.....	1,751,449	29,442,849	32,363,740	29,450,903	1,351,738	1,561,099
Education.....	863,546	105,290,399	106,684,472	101,594,035	1,556,568	3,533,869
Public works.....	4,551,782	15,847,032	20,004,364	12,828,139	5,764,001	1,412,224
Health and human services.....	18,455	1,649,825	1,725,643	1,478,748	10,000	236,895
Culture and recreation.....	19,383	2,387,083	3,167,629	2,524,196	243,822	399,611
Pension benefits.....	-	15,453,678	15,453,678	15,452,678	-	1,000
Employee benefits.....	24,524	45,609,556	45,595,066	44,792,262	-	802,804
State and county charges.....	-	10,556,780	10,556,780	9,745,247	-	811,533
Debt service:						
Principal.....	-	9,534,394	9,534,394	9,515,944	-	18,450
Interest.....	-	6,892,772	6,892,778	6,865,721	-	27,057
TOTAL EXPENDITURES.....	8,151,678	253,016,463	262,295,603	243,179,022	9,247,675	9,868,906
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(8,151,678)	(12,349,709)	(21,628,849)	2,915,210	(9,247,675)	15,296,384
OTHER FINANCING SOURCES (USES):						
Transfers in.....	-	5,400,231	6,867,158	6,867,158	-	-
Transfers out.....	-	(1,702,200)	(4,536,585)	(4,536,585)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	-	3,698,031	2,330,573	2,330,573	-	-
NET CHANGE IN FUND BALANCE.....	(8,151,678)	(8,651,678)	(19,298,276)	5,245,783	(9,247,675)	15,296,384
BUDGETARY FUND BALANCE, Beginning of year.....	-	32,179,429	32,179,429	32,179,429	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ (8,151,678)	\$ 23,527,751	\$ 12,881,153	\$ 37,425,212	\$ (9,247,675)	\$ 15,296,384

See notes to required supplementary information.

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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	December 31, 2015	December 31, 2016	December 31, 2017
Total pension liability:				
Service cost.....	\$ 5,646,000	\$ 6,464,000	\$ 6,755,000	\$ 7,333,000
Interest.....	19,782,000	19,941,000	21,717,000	22,776,000
Changes in benefit terms.....	-	-	-	-
Differences between expected and actual experience.....	-	(987,000)	5,200,000	-
Changes in assumptions.....	-	14,600,000	8,100,000	-
Benefit payments.....	<u>(15,003,000)</u>	<u>(16,221,000)</u>	<u>(17,031,000)</u>	<u>(18,506,000)</u>
Net change in total pension liability.....	10,425,000	23,797,000	24,741,000	11,603,000
Total pension liability - beginning.....	<u>257,104,000</u>	<u>267,529,000</u>	<u>291,326,000</u>	<u>316,067,000</u>
Total pension liability - ending (a).....	<u>\$ 267,529,000</u>	<u>\$ 291,326,000</u>	<u>\$ 316,067,000</u>	<u>\$ 327,670,000</u>
Plan fiduciary net position:				
Employer contributions.....	\$ 9,996,000	\$ 10,748,000	\$ 11,682,000	\$ 12,538,000
Member contributions.....	3,718,000	3,891,000	4,138,000	4,295,000
Net investment income (loss).....	6,973,000	2,670,000	10,612,000	24,754,000
Administrative expenses.....	(536,000)	(484,000)	(516,000)	(522,000)
Retirement benefits and refunds.....	(15,003,000)	(16,221,000)	(17,031,000)	(18,506,000)
Other disbursements.....	(1,047,000)	(812,000)	(760,200)	-
Other receipts.....	<u>730,000</u>	<u>844,000</u>	<u>1,344,200</u>	<u>82,000</u>
Net increase (decrease) in fiduciary net position.....	4,831,000	636,000	9,469,000	22,641,000
Fiduciary net position - beginning of year.....	<u>140,080,000</u>	<u>144,911,000</u>	<u>145,547,000</u>	<u>155,016,000</u>
Fiduciary net position - end of year (b).....	<u>\$ 144,911,000</u>	<u>\$ 145,547,000</u>	<u>\$ 155,016,000</u>	<u>\$ 177,657,000</u>
Net pension liability - ending (a)-(b).....	<u>\$ 122,618,000</u>	<u>\$ 145,779,000</u>	<u>\$ 161,051,000</u>	<u>\$ 150,013,000</u>
Plan fiduciary net position as a percentage of the total pension liability.....	54.17%	49.96%	49.05%	54.22%
Covered payroll.....	\$ 35,741,000	\$ 39,498,000	\$ 43,541,000	\$ 43,541,000
Net pension liability as a percentage of covered payroll.....	343.07%	369.08%	369.88%	344.53%

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.

	December 31, 2018	December 31, 2019	December 31, 2020
\$	7,663,000	\$ 8,008,000	\$ 8,289,076
	23,610,000	24,502,000	25,345,882
	-	-	-
	(406,000)	-	1,855,931
	13,000,000	-	-
	<u>(19,369,000)</u>	<u>(20,303,000)</u>	<u>(21,160,101)</u>
	24,498,000	12,207,000	14,330,788
	<u>327,670,000</u>	<u>352,168,000</u>	<u>364,375,000</u>
\$	<u>352,168,000</u>	\$ <u>364,375,000</u>	\$ <u>378,705,788</u>
\$	13,576,000	\$ 14,658,000	\$ 15,823,487
	4,666,000	4,585,000	4,751,566
	(6,848,000)	30,565,000	18,536,652
	(520,000)	(617,000)	(605,758)
	(19,369,000)	(20,303,000)	(21,160,101)
	-	-	-
	<u>80,000</u>	<u>67,000</u>	<u>72,886</u>
	(8,415,000)	28,955,000	17,418,732
	<u>177,657,000</u>	<u>169,242,000</u>	<u>198,197,000</u>
\$	<u>169,242,000</u>	\$ <u>198,197,000</u>	\$ <u>215,615,732</u>
\$	<u>182,926,000</u>	\$ <u>166,178,000</u>	\$ <u>163,090,056</u>
	48.06%	54.39%	56.93%
\$	45,227,000	\$ 45,227,000	\$ 51,567,808
	404.46%	367.43%	316.26%

SCHEDULE OF CONTRIBUTIONS
PLYMOUTH CONTRIBUTORY RETIREMENT SYSTEM

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
December 31, 2020.....	\$ 15,813,363	\$ (15,823,487)	\$ (10,124)	\$ 51,567,808	30.68%
December 31, 2019.....	14,623,000	(14,658,000)	(35,000)	45,227,000	32.41%
December 31, 2018.....	13,540,000	(13,576,000)	(36,000)	45,227,000	30.02%
December 31, 2017.....	12,538,000	(12,539,000)	(1,000)	43,541,000	28.80%
December 31, 2016.....	11,608,000	(11,682,000)	(74,000)	43,541,000	26.83%
December 31, 2015.....	10,748,000	(10,748,000)	-	39,498,000	27.21%
December 31, 2014.....	9,952,000	(9,996,000)	(44,000)	35,741,000	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 RETURNS
PLYMOUTH CONTRIBUTORY RETIREMENT SYSTEM

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
December 31, 2020.....	9.43%
December 31, 2019.....	18.39%
December 31, 2018.....	-3.82%
December 31, 2017.....	16.56%
December 31, 2016.....	7.46%
December 31, 2015.....	2.01%
December 31, 2014.....	5.23%

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**

Year	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
December 31, 2020.....	97.72%	\$ 159,372,536	\$ 50,402,671	316.20%	56.93%
December 31, 2019.....	97.71%	162,368,000	44,190,000	367.43%	54.39%
December 31, 2018.....	97.79%	178,883,000	44,227,000	404.47%	48.06%
December 31, 2017.....	97.97%	146,963,000	42,656,000	344.53%	54.22%
December 31, 2016.....	98.13%	158,039,000	42,727,000	369.88%	49.05%
December 31, 2015.....	98.34%	143,359,000	38,842,000	369.08%	49.96%
December 31, 2014.....	98.33%	120,570,000	35,144,000	343.07%	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 THE TOWN'S CONTRIBUTIONS
PLYMOUTH CONTRIBUTORY RETIREMENT SYSTEM

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered- payroll	Contributions as a percentage of covered- employee payroll
June 30, 2021.....	\$ 15,452,678	\$ (15,462,802)	\$ (10,124)	\$ 51,410,724	30.08%
June 30, 2020.....	14,288,000	(14,323,000)	(35,000)	45,073,800	31.78%
June 30, 2019.....	13,241,000	(13,277,000)	(36,000)	45,111,540	29.43%
June 30, 2018.....	12,283,000	(12,284,000)	(1,000)	43,509,120	28.23%
June 30, 2017.....	11,396,000	(11,470,000)	(74,000)	43,581,540	26.32%
June 30, 2016.....	10,574,000	(10,574,000)	-	39,618,840	26.69%
June 30, 2015.....	9,790,000	(9,834,000)	(44,000)	35,846,880	27.43%

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. Therefore, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the associated collective net pension liability; the portion of the collective pension expense as both a revenue and pension expense recognized; and the Plan's fiduciary net position as a percentage of the total liability.

Year	Commonwealth's 100% Share of the Associated Net Pension Liability	Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Liability
2021.....	\$ 240,133,930	\$ 29,659,981	50.67%
2020.....	213,712,472	25,916,346	53.95%
2019.....	201,924,187	20,462,093	54.84%
2018.....	195,415,635	20,396,099	54.25%
2017.....	186,148,607	18,988,378	52.73%
2016.....	170,950,020	13,865,568	55.38%
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 Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total other postemployment benefit liability, changes in the Plan's net position, and ending net other postemployment liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered payroll.

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

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

**SCHEDULE OF CHANGES IN THE
TOWN'S NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Total OPEB Liability					
Service Cost.....	\$ 27,863,367	\$ 23,038,205	\$ 21,914,726	\$ 28,061,321	\$ 40,436,080
Interest.....	19,356,363	22,140,028	23,742,073	27,716,155	22,650,812
Changes of benefit terms.....	-	-	-	(32,274,418)	(9,686,259)
Differences between expected and actual experience...	-	-	15,849,776	-	(52,938,875)
Changes of assumptions.....	(86,284,600)	(31,391,364)	129,379,977	216,350,799	(25,487,904)
Benefit payments.....	<u>(16,651,413)</u>	<u>(17,036,667)</u>	<u>(18,182,695)</u>	<u>(19,083,851)</u>	<u>(19,306,442)</u>
Net change in total OPEB liability.....	(55,716,283)	(3,249,798)	172,703,857	220,770,006	(44,332,588)
Total OPEB liability - beginning.....	<u>659,632,961</u>	<u>603,916,678</u>	<u>600,666,880</u>	<u>773,370,737</u>	<u>994,140,743</u>
Total OPEB liability - ending (a).....	<u>\$ 603,916,678</u>	<u>\$ 600,666,880</u>	<u>\$ 773,370,737</u>	<u>\$ 994,140,743</u>	<u>\$ 949,808,155</u>
Plan fiduciary net position					
Employer contributions.....	\$ 711,950	\$ 944,313	\$ 970,593	\$ 1,041,333	\$ 525,508
Employer contributions for OPEB payments.....	16,651,413	17,036,667	18,182,695	19,083,851	19,306,442
Net investment income.....	186,954	228,268	370,874	377,211	1,511,928
Benefit payments.....	<u>(16,651,413)</u>	<u>(17,036,667)</u>	<u>(18,182,695)</u>	<u>(19,083,851)</u>	<u>(19,306,442)</u>
Net change in plan fiduciary net position.....	898,904	1,172,581	1,341,467	1,418,544	2,037,436
Plan fiduciary net position - beginning of year.....	<u>1,750,570</u>	<u>2,649,474</u>	<u>3,822,055</u>	<u>5,163,522</u>	<u>6,582,066</u>
Plan fiduciary net position - end of year (b).....	<u>\$ 2,649,474</u>	<u>\$ 3,822,055</u>	<u>\$ 5,163,522</u>	<u>\$ 6,582,066</u>	<u>\$ 8,619,502</u>
Net OPEB liability - ending (a)-(b).....	<u>\$ 601,267,204</u>	<u>\$ 596,844,825</u>	<u>\$ 768,207,215</u>	<u>\$ 987,558,677</u>	<u>\$ 941,188,653</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	0.44%	0.64%	0.67%	0.66%	0.91%
Covered-employee payroll.....	\$ 92,397,157	\$ 104,133,239	\$ 108,493,908	\$ 112,135,762	\$ 117,913,268
Net OPEB liability as a percentage of covered-employee payroll.....	650.74%	573.15%	708.06%	880.68%	798.20%

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 TOWN'S CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

<u>Year</u>	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered- employee payroll</u>	<u>Contributions as a percentage of covered- employee payroll</u>
June 30, 2021.....	\$ 69,213,245	\$ (19,831,950)	\$ 49,381,295	\$ 117,913,268	16.82%
June 30, 2020.....	55,546,616	(20,125,184)	35,421,432	112,135,762	17.95%
June 30, 2019.....	44,515,201	(19,153,288)	25,361,913	108,493,908	17.65%
June 30, 2018.....	44,853,623	(17,980,980)	26,872,643	104,133,239	17.27%
June 30, 2017.....	39,477,033	(17,363,363)	22,113,670	92,397,157	18.79%

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 RETURNS
OTHER POSTEMPLOYMENT BENEFIT PLAN

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
June 30, 2021.....	21.56%
June 30, 2020.....	6.17%
June 30, 2019.....	7.88%
June 30, 2018.....	6.50%
June 30, 2017.....	7.11%

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.

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 Select Board (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 require 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 2021 approved budget authorized approximately \$254.7 million of appropriations and other amounts to be raised. During 2021, the Town meeting also approved appropriation increases totaling approximately \$12.1 million.

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

B. Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2021, is presented below:

Net change in fund balance - budgetary basis.....	\$ 5,245,783
<u>Perspective differences:</u>	
Activity of the stabilization fund recorded in the general fund for GAAP.....	5,300,497
<u>Basis of accounting differences:</u>	
Net change in recording tax refunds payable.....	(269,015)
Net change in recording accrued expenditures.....	(1,177,590)
Recognition of revenue for on-behalf payments.....	29,659,981
Recognition of expenditures for on-behalf payments.....	<u>(29,659,981)</u>
Net change in fund balance - GAAP basis.....	\$ <u>9,099,675</u>

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.

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 Returns

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 Other Postemployment Benefit Plan

A. Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios

The Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered employee payroll.

B. Schedule of the Town's Contributions

The Schedule of the Town's Contributions includes the Town's annual required contribution to the Plan, along with the contribution made in relation to the actuarially determined contribution and the covered employee payroll. The Town is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered payroll.

The following actuarial methods and assumptions were used to determine the total other postemployment benefit liability in the July 1, 2020, actuarial valuation, applied to all periods included in the measurement date that was updated to June 30, 2021 to be in compliance with GASB Statement #74 and Statement #75:

Valuation date.....	July 1, 2020.
Actuarial cost method.....	Entry Age Normal.
Amortization method.....	Increasing at 3.5% over 30 years on an open amortization period for partial pre-funding.
Amortization period.....	30 years.
Asset valuation method.....	Fair value.

Investment rate of return.....	5.5%, compounded annually, net of fees.
Discount rate.....	2.16%. Net of investment expenses, including inflation.
Healthcare cost trend rate.....	7.00% for 2020, decreasing 0.4% per year to 5.4%, then grading down to ultimate trend rate of 4%, utilizing the Society of Actuaries Getzen Medical Trend Model. The ultimate medical inflation rate is reached in 2075.
Inflation rate.....	2.20% per year, based on current economic data, analyses from economists and other experts, and professional judgements.
Mortality rates:	
Pre-retirement mortality (General and Public Safety employees).....	RP-2014 Blue Collar Employees Table projected generationally with Scale MP-2018.
Post-retirement mortality (General and Public Safety employees).....	RP-2014 Blue Collar Healthy Annuitant Table projected generationally with Scale MP-2018.
Pre-retirement mortality - Teachers.....	PUB-2010 Teachers Headcount-Weighted Retiree Mortality Table, base year 2010, projected with generationally mortality using Scale MP-2020.
Post-retirement mortality - Teachers.....	PUB-2010 Teachers Headcount-Weighted Retiree Mortality Table, base year 2010, projected with generationally mortality using Scale MP-2020.

C. Schedule of Investment Returns

The Schedule of Investment Returns includes the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

D. Changes in Assumptions and Plan Provisions

- The discount rate changed from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021.
- The inflation rate changed from 2.40% as of June 30, 2020 to 2.20% as of June 30, 2021.
- The healthcare cost trend rate changed from 8.00% to 7.00%.
- Mortality tables and improvement rates have been updated since the prior valuation.
- Percentage of employees retiring with a covered spouse was updated from 65% to 70%.
- The participation rates for medical, dental, and life have been updated since the prior valuation.
- The eligibility criteria for Medicare Part B reimbursements and the reimbursement amounts offered changed, effective February 1, 2021.